

Proceedings of Conference

*The 3rd International Conference on ASEAN Connectivity:
Current Issues and Future Prospects towards ASEAN
Community, November 17, 2014*



*College of Politics and Governance (COPAG)
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Lists of Organizers and Co-Hosts of the Conference



- College of Politics and Governance (COPAG) ,Mahasarakham University, Thailand.
- National Research Council of Thailand.
- National College of Public Administration and Governance, University of the Philippines, Philippines.
- Universiti Kebangsaan, Malaysia.
- Universitas Brawijaya, Indonesia.
- Faculty of Law and Political Science, National University of Laos.
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- Faculty of Social Sciences and Humanities, Mahidol University, Thailand
- Faculty of Management Sciences, Prince of Songkla University, Thailand.
- Faculty of Political Science, Prince of Songkla University, Thailand.
- Peace Studies Institute, Prince of Songkla University, Thailand.

MESSAGE FROM CONFERENCE CHAIRPERSON

**Sida Sonsri, Associate Professor
Dean
Chairperson of the Organizing Committee
College of Politics and Governance (COPAG)
Mahasarakham University, Thailand.**



On behalf of the Conference Organizing Committee, I am delighted to have you here to participate and share in the 3rd International Conference on ASEAN Connectivity: Current Issues and Future Prospects towards ASEAN Community. Thank you for coming. That many of you travel long distance serves to remind us all just how important our work is.

This conference aims to serve as an intellectual space for scholars, policy makers and practitioners to discuss challenges and opportunities as well as propose solutions for the ASEAN Connectivity in both theory and policy and raise awareness on the implications and expectations of the evolving process related to the ASEAN Connectivity.

I hope that this conference will be the forum to build an academic atmosphere and academic networks in the future. I am honored to have **H.E. Pradap Pibulsonggram**, our Keynote Speaker, who is the key and the resource person in drafting the Master Plan of ASEAN Connectivity and **Professor Dr. Likhit Dhiravegin**, our guest speaker, who is the outstanding professor in Political Science and distinguished member of the Higher Education Commission. All papers in this conference are peer-reviewed by the experts of each field which will be published and sent to all participants after the conference to ensure that the benefits of the conference continue long after the event is done. To facilitate in searching, the Index of names and Keywords are provided.

I deeply grateful to our Co- hosts, namely; The National Research Council of Thailand; National College of Public Administration and Governance (NCPAG), University of the Philippines; Universiti Kebangsaan Malaysia; Faculty of Law and Political Science, Lao PDR; Western University, Cambodia; Manipal University, India; Philippine Society for Public Administration (PSPA); Public Administration Association of Thailand (PAAT); Faculty of Political Science, Chulalongkorn University; Faculty of Political Science, Thammasat University; Faculty of Social Sciences and Humanities, Mahidol University; Faculty of Management Science, Prince of Songkla University, Peace Studies Institute, Prince of Songkla University; and RECOFTC Vietnam.

Finally, I would like to wish you a successful exchange of ideas and fruitful discussion which will restore the unity of the International Community.

Sida Sonsri

(Chairperson)

WELCOME AND INTRODUCTORY REMARKS

Sida Sonsri, Associate Professor

Professor Supachai Samappito
President of Mahasarakham University

His Excellency Pradap Pibulsonggram
Keynote Speaker

Professor Likhit Dhiravegin
Guest Speaker

Prof. Mohammad Bisri, Rector of Brawijaya University

Distinguished Guests , Friends, Ladies and Gentlemen

On behalf of College of Politics and Governance (COPAG), Mahasarakham University, it is my great pleasure to welcome you all to this conference and we are proud to jointly organize this conference with our Co-hosts.

I am honored to have His Excellency Pradap Pibulsonggram who is the key and resource person in drafting the Master Plan of ASEAN Connectivity and Professor Dr. Likhit Dhiravegin who is outstanding Professor in Political Science for taking time off their busy schedule to attend this conference.

In the past two years, we had two conferences on ASEAN, the first one is Community and Sustainable Development in ASEAN on May 14, 2012, and the second one is Current Issues and Prospects in ASEAN on August 13, 2013. Both conferences addressed many current issues in ASEAN. Today is the third International Conference which concentrates on ASEAN Connectivity.

This conference aims to serve as an intellectual space for scholars, policy makers and practitioners to discuss challenges and opportunities as well as propose solutions in both theory and policy and raise awareness on the implications and expectations of the evolving process related to the ASEAN Connectivity.

Within 3 frameworks of ASEAN Connectivity, namely: Physical, Institutional and People-to-People linkages, we divided into 11 sub-topics in this conference which affect ASEAN Connectivity as follows:

1. The Roles of ASEAN within 3 Pillars
2. Migration in ASEAN
3. Human Resource Development
4. Environmental and Disaster Management
5. ASEAN Connectivity: India, Myanmar, Lao PDR and Thailand
6. ASEAN Connectivity and Japanese Perspective
7. The Context and Dynamics of Public Administration and ASEAN
8. Local Heritage Networking for ASEAN Connectivity
9. Decentralization in ASEAN
10. The Challenges and Prospects for ASEAN
11. Towards One ASEAN Community

From this conference, the participants will benefit from our expertise and experiences of other East Asian participating countries, like Japan and India. It means we are moving ahead with Asian Connectivity. In addition, we could also discuss the issues in the context of identifying possible projects on ASEAN Connectivity Plus. We hope that this participation of prominent international speakers in this conference will immensely contribute to our academic atmosphere. The proceedings will be published after this conference which will be served as a useful handy material.

I deeply grateful to our Co-hosts, namely:

The National Research Council of Thailand; National College of Public Administration and Governance(NCPAG), University of the Philippines, Diliman; Universiti Kebangsaan Malaysia; Brawijaya University, Indonesia; Faculty of Law and Political Science, National University of Laos; Western University, Cambodia; Manipur University, India; Philippine Society for Public Administration(PSPA); Public Administration Association of Thailand (PAAT); Faculty of Political Science, Chulalongkorn University; Faculty of Political Science, Thammasat University; Faculty of Social Sciences and Humanities, Mahidol University; Faculty of Management Science, Prince of Songkla University; Peace Studies, Prince of Songkla University, and RECOFTC, Vietnam.

Finally, I shall once more welcome all of you to COPAG, MSU and hope you will enjoy your stay and our unique of Isan Culture (Northeast Culture). We are delighted to offer the most hospitable welcome we can.

Now, I would like to invite Professor Suppachai Samappiti to deliver his opening remarks.

Mr. President, please.

OPENING SPEECH (President of Mahasarakham University)

**Supachai Samappito, Associate Professor, Ph.D.
President
Mahasarakham University, Thailand.**



His Excellency Pradap Pibulsonggram, Keynote Speaker

Professor Dr. Likhit Dhirevegin, Guest Speaker

Distinguished guests

Ladies and Gentlemen:

It gives me a great pleasure to welcome all of you to the opening ceremony of the 3rd International Conference on ASEAN Connectivity: Current Issues and Future Prospects towards ASEAN Connectivity.

Through this conference, the scholars will take part of discussion in many issues as well as learn how they can make a positive impact in our ASEAN plus 3 and plus 6. I would like to thank our Co-hosts in attending this well-organized conference. You have done a very good job to organize this event which deals with the current topic of ASEAN.

This conference is an extraordinary example of our future strategy towards capacity building at the regional levels. I hope the strong participation of scholars can be achieved by a strong networks of ASEAN plus 3 and plus 6.

I would like to take this opportunity to express my sincere thanks to the organizer and in particular the honorable speakers.

Finally, this is an opportune time for me to declare the official opening of the 3rd International Conference on ASEAN Connectivity: Current Issues and Future Prospects towards ASEAN Community and I wish you have a pleasant stay in Mahasarakham

I warmly welcome you again.

Supachai Samappito, Associate Professor

President of Mahasarakham University

Closing Remarks

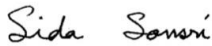
Good afternoon everybody:

We are approaching the end of our Conference. It has been a day full of sharing, inspiration and fruitful discussion that we have generated a wealth of information and experience in this conference.

Hopefully, the presentation today we have laid out as the conference agenda will help everyone significantly in rediscovering the past, reinventing the present and configuring the future of ASEAN Connectivity which will come up with the sustainable development.

I would like to thank our Keynote Speaker, His excellency Pradap Pibulsonggram and Professor Likhit Dhiravegin, Guest Speaker, our Co-hosts, friends, old and new and all participants for their devotion and their support to this successful and fruitful Conference whether you have come from near or far. I wish you a safe journey home.

Thank you.



Sida Sonsri, Associate Professor
Dean and Chairperson of the Conference

Executive Summary

This year (2015) marks the 48th anniversary of the founding of the Association of Southeast Asian Nations (ASEAN) which started as a loose coalition of developing countries; ASEAN is now recognized as increasingly capable regional and international player. ASEAN Countries, however, face a number of international and external challenges, including social stability and regional economic cooperation.

Partnerships in this conference include the scholars from ASEAN and East Asian Countries who have been studying the issues of ASEAN for a long time. With regard to ASEAN Connectivity, physical, institutional and people-to-people connectivity are addressed in broad sub-themes as follows:

1. **People-to-people Connectivity** centers on initiatives that promote and invest in education and lifelong learning, support human resource development, encourage innovation and entrepreneurship, promote ASEAN cultural exchanges, promote tourism and the development of related industries.
2. **Physical Connectivity** focuses on the transport facilities, logistic service facilities, and information and communications technology, disasters that block physical connectivity.
3. **Institutional Connectivity** deals with strategic, agreement, legal and institutional mechanisms to effectively realize the ASEAN Connectivity, including those to facilitate trade in goods and services and the appropriate types of investment policies and legal frameworks to ensure that the investments are protected to attract private sector. Those laws and regulations also protect skilled workers and unskilled workers among ASEAN countries.

Moreover the current issues among the ASEAN Countries and East Asian countries are also addressed. The most debatable in this conference is the ASEAN integration. One thing that is missing in ASEAN integration picture is better coordination among ASEAN member states to identify priority projects and funding sources to implement their master plan. Such efforts could also benefit from feasibility studies in ASEAN countries to locate sources of funding and identify and comply best module of joint public and private sector engagement and investments in important matters.

ASEAN countries are aware of the state of integration process, and with a weak centralized structure in ASEAN to drive the execution of the project among the member states, this will have a knock-on effect upon the “people-to-people” element of ASEAN connectivity, which also needs to be strengthened and further emphasized.

The other important debates are the internal challenges and external challenges.

The internal Challenges are the conflict between the states of ASEAN both in mainland and maritime disputes. These will affect the connectivity in all aspects. The principle of non-interference principle was established as the essential rule of ASEAN due to the variety of social and political culture among the state members but this principle brings the discourse of “Internal Affairs” which obstructed the regional cooperation and regional connectivity. The weak point of the argument on this ASEAN Value to maintain the states’ own sovereignty as internal affairs which affect the whole matter of sovereignty.

The External Challenges identified three external challenges facing ASEAN: globalization, regional imbalances and lack of engagement mechanism. Many speakers contended that ASEAN’s development maturity carries with it the drawback of globalization. The first point is ASEAN countries are worried that Western values have eroded support for their own values. The second point is the insecurity for ASEAN and its neighbors. The rise of large neighboring countries coupled with increased investment in their militaries and economics has made ASEAN countries extremely nervous. In recent years, the U.S., Japan, Korea, India and Australia interest in Southeast Asia’s affairs has also risen, making them worry that they may be marginalized.

For conclusion, this conference brings the scholars of ASEAN and East Asia to share the views, review recent development and discuss challenges and opportunities as well as propose solutions in both theory and policy and raise awareness on the implications and expectation of the evolving process related to the ASEAN connectivity.

Sida Sonsri

Sida Sonsri, Associate Professor
Dean, College of Politics and Governance
Mahasarakham University
Chair of the Conference

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KEYNOTE SPEECH

ASEAN Connectivity

H.E. Pradap Pibulsonggram



(1)

INTRODUCTION

" ASEAN " connectivity was fostered since 1967 ,when the organisation was established by the Bangkok Declaration From that early period ,outwardly the focus was on social and economic linkages. Nonetheless,the political/security cooperation through dialogues among the leaders ,of course, did take place.

During the past four decades,ASEAN's achievements were remarkable. To mention just a few highlights:

- *The organisation has survived, compared to the many previous attempts at forming regional cooperation. It managed well throughout the Cold War and emerged stronger economically as well as potentially when all the Southeast Asian nations joined. ASEAN membership including Vietnam,Laos ,Myanmar and Cambodia completed the formation of the " Family of Ten."

- * ASEAN has succeeded in establishing itself as a zone of peace,freedom and neutrality.

- * ASEAN has close ties with economically vibrant nations;its ten dialogue partners and five regional organisations.

- *ASEAN is now Thailand 's largest trading bloc.

With an organisation as diverse as the " Family of Ten", ASEAN needs to adjust and adapt. After four decades of journey through the phases of formation,growth and expansion;ASEAN has reached the maturity phase of the "S Curve" at the end of the century. To continue the same old track,ASEAN wouldnot have been a viable or relevant organisation with such a diversity ethnically, politically, economically and socially within the group. Fortunately in 2005, the leaders issued the Bali Concord and chose the path of re-engineering , which called for closer integration by forming itself into a community rested on the three pillars:political/ security,economic and social/ cultural. The timeline was 2020 and later changed to 31 December 2015. The Charter was drafted and adopted in 2008 turning ASEAN from a loose organisation into a legal entity .

Keywords: ASEAN Connectivity/ Master Plan on ASEAN Connectivity/ Current Issues in ASEAN

BACKGROUND AND OVERVIEW ON THE MASTER PLAN ON ASEAN CONNECTIVITY

The three-pillars couldnot really support and sustain the harmonious,efficient and seamless integrated community ; the success factors are for peoples of ASEAN and goods to be able to move easily acrosss the borders as well as for the peoples to appreciate each other . In 2009, Thailand therefore under its chairmanship launched the concept of " enhanced connectivity." The key word is "enhanced ";

ASEAN is building up its connectivity not starting from zero but strengthening it upon the centuries-old connectivity and combined it with modern technological advancement. The parameters are clearly defined and specifically confined to the areas of physical infrastructure, institutional and people-to-people. The leaders subsequently mandated the setting up of a high-level task force to draw up a master plan on ASEAN connectivity.

In 2010, HTLF spent 10 months drafting with the support of ASEAN Secretariat, Economic Research Institute for ASEAN and East Asia, ADB, ESCAP and World Bank. Under the terms of reference, the HTLF was assigned to study and submit the master plan which, with timelines, will fix the missing links in all intermodal transportations, ICT and power-grids as well as gas-pipelines. The plan is to contain measures which will serve to align and harmonise rules and regulations on commerce, investment, capital flow and transport facilitations. On P2P, the plan is to enhance mobility and deeper understanding.

The Master Plan on ASEAN Connectivity or MPAC was adopted by the leaders at Hanoi Summit in October 2010 and based on seven-point principles:

".. Serve to accelerate, not hinder, existing ASEAN initiatives and complement ASEAN Community building process;

- Foster a win-win solution to reflect the interest of all AMS;
- Ensure synchronisation of ongoing sectoral strategies or plans within the frameworks of ASEAN and its sub-region;
- Strive for balance between regional and national interests;
- Strengthen connectivity between mainland and archipelagic Southeast Asia;
- Outward-looking and serve to promote healthy competitive dynamics among external partners and also help preserve ASEAN centrality; and
- Feasible in practice with clear financial mobilisation models, including the involvement of private sector...."

There are 19 strategies : 7 under physical connectivity, 10 institutional and 2 people-to-people.

These strategies lay out 125 projects altogether, details in the website www.asec.org.

CURRENT ISSUES

PHYSICAL CONNECTIVITY

- * 38,400 km /23 routes of ASEAN Highway Network; with no missing links and class 3 standard
- * 21,000 trade transit routes with road signs
- * Singapore-Kunming Rail link by 2020; and Singapore- Cambodia by 2014
- * Plan to utilise 51,000 km of inland waterway
- * Upgrade all 47 ports in ASEAN; Dawei
- * Feasibility Study on developing RO/RO network
- * "...Integrated and well-functioning intermodal ..." transportation connecting with the areas beyond ASEAN;
- * ASEAN Dry Ports
- * ASEAN Power-grids

- * ASEAN gas pipelines
- * ICT: ASEAN Broadband Corridor, ASEAN Internet Exchange Network, Feasibility Study on ASEAN Single Telecommunications Market

INSTITUTIONAL CONNECTIVITY

- * AEC scorecards
- * Transport facilitations
- * Cross-border management
- * ASEAN Single Window
- * Mobility of skilled workers
- * Single aviation market
- * Single shipping market

PEOPLE-TO-PEOPLE CONNECTIVITY

- * Virtual learning center
- * ASEAN curriculum
- * Visa-free for ASEAN nationals
- * Protect and promote world heritage sites

IMPLEMENTATION'S LATEST STATUS

In 2011, ASEAN Foreign Ministers has set up an ASEAN Connectivity Coordinating Committee or ACCC: and its related mechanism such as National Coordinator, with the task to monitor and evaluate MPAC implementation.

ACCC has developed a scorecard as a tool to monitor.

The process is satisfactory, although much is remained to be carried out.

Physically, most of AHN are already class 3 and the missing links are being constructed and expected to finish by 2015 or 2016; nonetheless overland transportations could already reach important markets and destinations. The railways from Thailand to Cambodia will be completed on time in 2014 or 2015 at the latest. The study on the use of inland waterways is behind the schedule, but it's not yet an important mode of transportation in ASEAN. Out of 47 Sea Ports, 17 are being shortlisted for upgrading as requested. The development of Dawei Deep Sea Port has picked up momentum after the establishing of the Thai/Myanmar Special Purpose Vehicle.

Institutionally, the measures under AEC blueprint are making good progress. The cross-border procedures are expected to move forward once the relevant legislations pass the Thai National Assembly. The operationalise of ASEAN Single Window is expected, now that ASEAN Member Countries are making headway with the setting up of National Single Window. Skilled workers, particularly in the areas of tourism, can now seek employment in ASEAN countries, if their skills meet the job-specification requirements.

P2P, ASEAN Nationals already can travel without visa to most AMS. There are ASEAN lanes at immigration airport check point. The ASEAN curriculum course work has been complete and being used at various school levels.

STRATEGIC IMPORTANCE OF MPAC

ASEAN essentially is consisted of mainland and archipelagic countries. For centuries, the shipping lane through the Malacca straight has been and still is the main route for maritime transportation connecting the Pacific and Indian Oceans and beyond. Singapore, and Malaysia, have operated and maintained world-class Deep Sea Ports to facilitate the efficient passage of vessels of all nationalities. These two AMS will continue to lead ASEAN in shipping market far into the future.

MPAC poses a few strategic alternatives. It opens up the possibility for overland transportation which benefit mainly the mainland ASEAN, but creates business opportunities for all AMS particularly in services such as logistics, banking, insurance and tourism. ASEAN is a market of over 600 million peoples, the overland connectivity will closely link mainland ASEAN with China, India and East Asia resulting in a market of over 3 billion peoples or nearly half of the world population.

Another strategic alternative is the short-Sea Shipping which will connect those thousand of islands in Indonesia and Phillipines and also among AMS.

MPAC has in recent years transformed the notion of " connectivity" into a " brand ." It's reflected in every ASEAN Summit Declarations as well as in the various statements of Summit with Dialogues partners .

The Challenges

- Development of economic corridors,
- Mobilisation of fund;utilisation ASEAN Infrastructure Fund, PPP models.
- Putting in place CIQ cross-border procedures.
- Infrastructure Maintenance Schedule,
- Public awareness and participation,
- The collateral negatives.

Summary of Keynote Address

Opening Keynote Address : “ASEAN Connectivity”

His Excellency Ambassador Pradap Pibulsonggram

Former Ambassador to Switzerland and Italy and Former Thai Representative to the High Level

Task Force on ASEAN Connectivity

H.E. Pradap Pibulsonggram opened the conference by reviewing ASEAN’s achievements during the past few decades with four highlights: completing the formation of the “Family of Ten”, establishing ASEAN as a zone of peace, freedom and neutrality, developing itself as an economic link and being Thailand’s largest trading bloc. With an organization as diverse as the “Family of Ten”. ASEAN needs to adjust and adapt. After four decades of journey through the phases of formation, growth and expansion; ASEAN has reached the maturity phase of the “S Curve” at the end of the century. There is a need to enhance the awareness of “ASEAN Citizen” which will strength the ASEAN Community. In 2003, ASEAN issued the Bali Concord and chose the path of re-engineering, which called for closer integration by forming itself into a community rested on the three pillars: political-security, economic and socio-cultural. The timeline in 2020 and later changed to 31 December 2015.

The establishment of High Level Task Force (HLTF) on ASEAN Connectivity was mandated at the ASEAN Summit in 2009 and the HLTF was created in early 2010 to draft a Master Plan on ASEAN Connectivity (MPAC). The concept of “enhanced connectivity” was addressed significantly. He contented the key word of “enhance”; ASEAN is building up its connectivity not starting from zero but strengthening it upon the centuries-old connectivity and combined it with modern technological advancement. The parameters are clearly defined and specifically confined to the areas of physical infrastructure, institutional and people-to-people. MPAC was adopted by the leaders at Hanoi Summit in October 2010 and bases on 7 point principles, 19 strategies laying out 125 projects altogether. MPAC includes physical connectivity (23 routes of ASEAN Highway Network, road, rail link, inland waterway, ports), institutional connectivity (AEC scorecards, transport facilitations, cross-border movements of people, trade and capital management, ASEAN single Window, single aviation market and single shipping market) and people-to-people connectivity (Virtual learning center, ASEAN curriculum, Visa-free for ASEAN nationals, protect and promote world heritage sites). He noted that a more connected ASEAN within a more interconnected Asia-Pacific region and beyond.

Finally, H.E. Pradap Pibulsonggram highlighted the strategic importance of MPAC by opening up the possibility for overland transportation to mainland ASEAN linking with East Asia, and setting the short-Sea Shipping to connect archipelago countries. MPAC has in recent years transformed the nation of “connectivity” into a “brand”. It’s reflected in every ASEAN Summit Declarations as well as in the various statements of Summit with Dialogues. The challenges of development of economic corridors, mobilization of fund; ASEAN infrastructure Fund, Public-Private-Partnership (PPP) models, cross-border procedures, infrastructure maintenance schedule, public awareness and participation and the collateral negatives are particularly importance.

Rapporteur’s Report

By Cherngchan Chongsomchai, Assist, Prof.

Viralbajra Prasertsak

GUEST SPEAKER SPEECH

Education for human and societal progress and peace*

Likhit Dhiravegin, Prof. Dr., Fellow of the Royal Institute, September 22, 2014



(2)

Introduction:

People working as a team would have to be able to communicate with the same language and concepts. The event related in the Bible is the Tower of Babel. God created men but men were trying to build the Tower of Babel to reach heaven. They spoke the same language and hence could get organized to achieve a common goal, to challenge God. God then scattered them around and made them speak different languages resulting in the inability to communicate with ease. They could not have what is known as connectivity. To have connectivity denotes the capacity to communicate to have common understanding in order to pursue common goals. Connectivity connotes speaking the same language and having common understanding on concrete matters such as a house, a building, a car, a cat, a dog, etc. More important, there must be a common understanding on abstract matters such as concepts about equality, fairness, justice, democracy, good, bad, right, wrong, etc. The abstract part or the concepts usually are the sources of conflict and hence destroy positive connectivity. Conflicts in concepts can take place even among people speak the same language. In the case of the Tower of Babel, the people afterwards could not communicate but soon through interactions they were able to communicate again because they learned each other's language. Today, English is a common language where people can use of medium of communication and yet conflicts still arise as a common phenomenon due to the different interpretation of the abstract part of the language or the concepts which are devoid of common understanding and agreement upon the terms.

Education is a tool for people to acquire knowledge of one's society and the subject matter common to all such as proven scientific theories. But in terms of social sciences and other subjects which can be value-oriented such as ideology, religious faith, standard of right and wrong, cultural practices, etc., common understanding may not come about due to the difference in culture, belief and system of learning. However, admittedly differences will always remain even among people of the same society. Education can elicit a better common understanding once there is common knowledge on certain areas of learning even among people of different societies. Education is thus instrumental in bringing about commonalities while differences are acknowledged and taken with tolerance. There is a possibility of convergence in certain areas of learning most notably in natural sciences. It is therefore an important tool for connectivity. Educational cooperation in the form of joint research projects, scholars exchange, cultural exchange could be instrumental for a close and useful connectivity in the field of knowledge seeking but with significant implications about human relations, and international

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relations. Scholarships awarded to students to come to study at a particular country will enhance a close relationship between those who studied in that particular country in the academic field as well as human relation and a special feeling toward that country. This type of connectivity, broadly defined as interactions and undertaking common activities, is thus useful for cooperation for development and, for that matter, for peace.

As AES is coming to become a reality in fewer than two years' time, interactions and cooperation in the various areas will take place hopefully in an accelerating manner.¹ Education is a factor which will foster a close relationship among the ten members. Students exchange program, scholarly exchange through visiting fellowship, joint research projects, seminars, and "cross-national studies" where students of one ASEAN nation can study in another ASEAN country for a certain semesters will enhance exchange of knowledge, data, ideas, concepts, etc. Connectivity through education is thus a most important factor which deserves serious attention. But of most importance is to come up with a common understanding of the term "education," its significance and its objective. This will be discussed momentarily.

Keywords: Education for Societal Progress/ Education for Peace

The significance of education

Education is a factor of utmost importance in personality formation and for social development. Indeed, since the time of ancient Greece, there were talks about the significance of education as a prime factor for a good Polis. Plato believed that education was the means to prepare the people to be fit for the society. For the Chinese, education has always been emphasized as an important element in the society. The Chinese would talk about *ren chai* or human caliber or human resource as the key to the country's progress and development.²

John Dewey, (1858-1952) a famous American philosopher and educationist who advocated educational reform for the American society linked education not only with personality building but also democracy.

John Dewey, the eminent thinker of the progressive movement, the dominant figure in American education advocated three points for a good education.

First, the schools would be freely available to all from kindergarten to college.

¹Likhit Dhiravegin, "AEC and Thailand's Positioning." In *The Journal of the Royal Institute of Thailand* Vol. V (5 December 2013) : 1-17; Likhit Dhiravegin, *Globalization: the new world order and the new power configuration*. Presented at 7th Congress of the World Federation of Hainanese Associations, at BITEC, Bangkok, Thailand, November 23-24, 2001; Likhit Dhiravegin, *Karn Prub Tua Nai Yuk Lokapiwat Lae Karn Triam Tua Khao Pen Samachik Prachakom Setakit ASEAN Kong Prathes Thai [Adjustment in the era of globalization and preparation to become a member of the AEC of Thailand]* in Chatthip Nartsupha, ed. *Duayrak: Thai Kab Nana Chart*, No. 6 (Bangkok: Sangsunt Press, Ltd., B.E. 2556 [2013]).

²The Chinese has as its core principle about quality of a human being is how to be a good man. A person who lives up to the standard of being a good person by performing his duties expected of him is referred to as "He knows how to be a man."

Second, the children would themselves carry on the educational process, aided and guided by the teacher.

Third, they would be trained to behave cooperatively, sharing with caring for one another. Dewey concluded that if the above are fulfilled," then all these creative, well-adjusted equalitarians would make over American society in their own image."

The above was John Dewey's visualization of education and democracy for the American society. His idea gained acceptance widely.³

The first item, education to be available to all is of interest for purpose here. How can it be possible for the people of the learning age to have access to education with the aid of the state combining with self-support through an educational loan program would be the topic of concern for discussion. The following discussion will take the care of Thailand as an example. Taking cognizance of the fact that education is a *sine qua non* for human as well as society's progress and development, in Thailand, ways and means have been devised for decades to provide educational opportunity for the poor and the needy. There are scholarships programs of all sorts, of the both from the government and the private organizations. There is also educational financial aid given by foreign organizations such the Fulbright scholarship, the Ford Foundation scholarship, to name only a few. But that is still far from being sufficient.

That education is recognized as an important factor is not just confined to the utilitarian aspect but also as part of a fundamental right of a citizen and a guarantee of social justice. Starting with the 1977 constitution, to be repeated in the 2007 constitution a 12 years free education for the people was stipulated in the charter.⁴ It was deemed as the stepping stone for educational opportunity for the people. This is the level of high school which would allow the graduates to continue on at a college level in regular universities both state and private. There are also open enrollment universities for the objective. The *rai son d'tre* was that in this age of economic development and democracy, the people are entitled to have access to education for personal advancement and for the development of the society as a whole. For this reason, the "Loan for Education Program" known in the Thai acronym as *kohyohsoh* was launched. The program was successful to an impressive degree but admittedly there have been some problems in its *modus operandi* most notably the payment default of the loan. This would lead to a debate on the ethical and moral issues, the pros and cons of the program and whether the program should be terminated or to be continued.

To start with, if education is taken as a form of investment for the building of human resource for the country, it can be argued that the existence of workforce with good caliber brought about by education would serve the objective. Through education, the quality of the people would be a concomitant result. The better qualified people who have the caliber to work in either the government agencies or the private firms, or self-employed, would help develop the society, the regrettable

³John Dewey was a great American scholar. He published many books on the subject of education. See John Dewey, *How We Think*, (D.C.: Heath & Company, 1910); John Dewey, *Democracy and Education*, (New York: Macmillan, 1926); John Dewey, *Logic: The Theory of Inquiry*, (New York: Henry Holtana Company, 1938); John Dewey, *The Child and the Curriculum*, (New York: University of Chicago Press, 1956).

⁴There is a strong possibility that similar provisions will be put in the new constitution which will come out in due course.

shortcomings in ethic and morality on the part of those who defaulted in the payment of the loan notwithstanding. But it must be pointed out here that this does not mean that the ethical and the moral issues are to be ignored or to be glossed over. That is an area which has to be rectified eventually

As education has been recognized as the *sine qua non* of nation-building and social development, it is thus a prime factor which a good government has to pay serious attention. In philosophical terms, access to education for the people is an inherent right of a citizen. In the national development aspect, it is almost the master factor in national growth and national power, to be discussed subsequently. Education contributes significantly toward the development of the society in the various aspects. A discussion of the subject is given momentarily.

In the first place, it can be argued that there is a twin evil of an under-developed society, ignorance and poverty. The twin evil, ignorance and poverty, forms the vicious circle which would retard the progress and development of a society. Ignorance stemmed from a lack of a proper education and training which would deprive a person of profound ideas save the ones learned from the basic socialization process in the family and limited years of schooling. This would result in the lack of the ability to have a decent job for economic well-being. The person would thus be poor and could not afford to have a decent education and most notably for the offspring. The lack of education and training would result in being ignorant and hence being poor. The process will thus be complete. To break the vicious circle, it is not to give a hand-out as is usually practiced by politicians for political popularity. This is because the person would remain poor as the old Chinese saying goes, in effect, that if you give a fish to a poor man, that person may live for one day, but if you teach the person how to catch fish, the person would live forever. The key factor is thus to provide a proper education to eradicate ignorance and hence poverty. Indeed, for the poor, what they may want to say but may be too timid to say it. That is, help me to need no help from men, so I can help the men in need.

The second point to take into consideration about the significance of education is related to a good political system. It would serve no positive purpose to be engaged in a debate on the issue of comparison between a democracy and a dictatorship as was the case in the Cold War period. The contentious issue would lead us nowhere. The question to be asked is what constitutes a good political system for the governing of the realm. The answer is as follows.

A good political system is one in which the person in the bottom economic echelon or the poorest, so to speak, can live “a life with human dignity” with the following requisites.⁵

First, the person must have the four basic needs--enough food or three square meals a day, enough clothing to keep warm, medicine or medical treatment for ailment and a decent shelter or having a roof over his or her head. These are the concrete political demands to which a good system must be able to accommodate.

Second, the person’s fundamental rights including rights and freedom, equality, justice most notably social justice, human rights, and human dignity must be guaranteed by the constitution and the related laws and their enforcement. Without enforcement, laws will become just empty words written

⁵Likhit Dhiravegin, (*Karnmuang Thai Lae Prachathipratai*). [*Thai Politics and Democracy*] Bangkok: Misterkopy (Thailand) Co., Ltd., 2009.

on papers. This part is the abstract political demands to which a good political system must accommodate.

Third, the person and most especially the offspring of the person must have a chance to have social mobility, by rising through the social echelon from a lower social stratum to a higher stratum, say from the child of a peasant to become a judge or a medical doctor. This can be realized by having access to a proper education and equal employment opportunity. Thus, education must be available to all as John Dewey said, through state subsidy and/or self-support. In case the person is too poor to pay for the expenses for an education, state assistance through a program of loan for education can be an answer.

It can thus be seen that education constitutes a significant factor in bringing about a good political system as discussed above.

The third point to be given attention is related to national development of a country. A. F. K. Organski of the University of Michigan posited a theory that national growth is related to national power. In other words, the power and the international standing of a nation in the international community will follow a sequence of national growth (development) and national power (political, economic and social power) *vis-à-vis* other member nations. There are five factors for national growth and hence national power as follows:⁶

- First, political development,
- Second, economic development,
- Third, social mobility,
- Fourth, psychological modernity, and
- Fifth, population.

For the modern era, we may add another factor, technology most notably information technology.

Political development means having a political system which the people are politically conscious and take part in the system. The system must be able to mobilize the people to be part of the governing system most notably in the process of decision-making and formulation of public policies for problem-solving and for national development. Political development can only occur in a society in which the people are politically conscious and have a sense of social responsibility and civic obligation. This can only come about when the people have received a good education. Education thus arguably plays a significant role in political development and political participation. But it should be pointed out that participation in politics must be voluntary and political consciousness must not be one that is generated by indoctrination and hence political mobilization, instead of voluntary participation, as is the case of a socialist country in the Korean peninsula.

Economic development invariably will need technological know-how, skilled labor, research and development program, etc. All the above would require education and training for the populace. Any society in which the illiteracy rate is high and the people are untrained or under-trained leading to a pool of un-skilled labor, the chance for a successful industrialization will be slim and hence economic development will lag behind. A good education is the key to this second factor of national growth,

⁶ *Lectures given at the Fletcher School of Law and Diplomacy, Tufts University, Mass., USA., 1968.*

Social mobility will correspond to what we have discussed above regarding the third requisite of a good political system, to have social mobility for a change of one's social status. Without education, the great bulk of the population will lie idle in the rural areas and the future of the country will remain in the hands of a few. The absence of manpower to help in the process of national growth will hinder the chance to have national power. But social mobility can only happen when the people are educated. Here the importance of education can be readily recognized.

Psychological modernity or thinking rationally with logical and scientific reasoning can only be possible when the people are free from superstitious belief. A good education will allow the people to have self-confidence because they would be liberated from ignorance and from fear of the unknown. Thanks to the scientific revolution taken place in the West, the superstitious belief in natural power imposed upon by certain elements in the society has been eroded. The social myth which imprisoned the people in blind faith is losing its sanctity and credibility once the people are better educated. Education will lead to an analytical mind and scientific and logical thinking. Psychological modernity is necessary for a modern age and for living in a modern society. It is most important for national growth and national power.⁷

Population is a factor which helps generate national development and national power. Organski pointed out that of all the Western powers in the nineteenth century, England, France, Germany, Spain, for example, had at least thirty million people. These countries had big enough domestic market which helped with the initial stage of industrial development. The American automotive industry became successful because of the huge domestic market which sold cars in great volume making the economy of scale possible. A big enough population will also provide manpower for fighting wars. But for the large number of population to have positive contribution for national development, the population must be an asset, not a liability. That is, they must have purchasing power and must possess technical skill for contribution for economic development. They must also have psychological modernity. The age structure must be supportive, i.e., ages from 16-60 preferably should large while below 16 and above 60 preferably should be kept manageably small. This would call for a good policy of family planning. But what is obvious is that education is an integral part in turning the population into an asset rather than a liability for national growth and national power.

The significant role of technology most notably information technology, to which we add to Organski's five factors is obvious. Indeed, the modern technology has changed the planet Earth by turning the world to become flat. Technology lag is a most dreadful factor for the nations to lag behind. Indeed, as an analogy, societies that are ignorant of the modern technological gadgets may be reduced to the Stone Age. And technology can only happen through education in the various subjects of modern science and technology, social studies and humanities.

In sum, education is very important from the various standpoints that we have discussed. It is arguably the Key factor for human and societal progress, the achievement of which can contribute toward peaceful co-existence among nations.

⁷Cf. Alvin Toffler. ***The Third Wave***. (New York: William Morrow, 1980).

The educational system of the East and the West: A comparative perspective⁸

The significance of education is recognized and taken as an important key factor for development and for peace. But one important issue is the system of teaching and learning. There is a commonly accepted observation that in the West, students are taught to think, to be critical, to analyze and to voice their opinions, whereas in the East most notably Asia, students are taught to memorize or to learn by rote or by heart. This issue is to be taken for discussion momentarily.

A comparison between the East and the West is a ten million \$US topic. It is very broad and it will take a lot of generalizations, if not over, to discuss such a broad topic. Indeed, the various factors involved will make it difficult, if not impossible, to telescope them into a coherent argument. Be that as it may, the salient features of the cultures, ideas and educational systems between the East and the West, will be discussed. In so doing, it is necessary to narrow down the scope of the discussion so that it will be more manageable.

It will be remembered that the most oft-quoted saying regarding the difference between the East and the West reads thus, "East is East, West is west and never the twain shall meet." This saying means the two worlds shall forever be apart. But this saying is probably no longer valid. The world in the globalization era has shrunk into what is said metaphorically a "global village." There exists also now the convergence theory, a synthesis of the good elements of different systems and different parts of the world. Indeed, it is common for a Thai to have a Western breakfast which consists of bread and butter and jam, sunny side up, cereal, milk and what have you. For lunch it may be Chinese noodle and for dinner Italian cuisine and red-wine. Even in language, many Thai speak with a number of "borrowed" words from English, Chinese and Japanese.

The difference in culture, idea and educational systems does not come out of a vacuum but a difference in historical development and the social system which have an effect on the thinking system and the concomitant results on other aspects of the society. On the outset, the East and West may not be that different. Under a dictatorial political system such as the Roman Empire, more importantly the four decades of the Dark Ages following the fall of the Roman Empire, the West was dominated by a system of forced belief through indoctrination and enforcement of Draconian laws. The people were supposed to believe what the rulers wanted them to believe. This had something to do also with the power and the authority of the power wielders. Galileo who tried to speak the truth through his discovery with the existence of telescope that the Milky Way was just a congregation of stars in defiance of the power of the priests was harshly persecuted by the clergy. Galileo paid dearly for his truth by being tortured until he became blind and put away to die in prison. His predecessor was even burnt alive for advocating something which defied the orthodox tenet of the faith. In those years, culture, idea and educational system in the West were controlled by the clergy and the social system. This was not dissimilar to the East. But the West had a struggle process which brought about changes

⁸Cf. Likhit Dhiravegin, Key Note Address at the ASAIHL-Thailand in cooperation with Siam University, Conference "**Cultures, Ideas and Educational Systems: A Comparison between the East and the West**" The 32nd Inter-University Conference The Association of Southeast Asian Institutions of Higher Learning-Thailand Chapter at Siam University on 31st March 2014 at Siam Auditorium, 19th floor, Royal Jubilee Building.

including the Renaissance, Reformation, Magna Carta, Scientific Revolution, and eventually the Industrial Revolution after the coming of the steam engine.

The question is how come the above process of changes did not take place in the East. No one could come up with a cogent answer save it was a difference in the geographic location, the climate and eventually the most convincing argument is the difference in historical development or social evolution.

The West has been the cradle of democracy while the other parts of the world most notably in the East, it was marked by despotism. This gave rise to the differences in culture, idea and educational systems. More importantly was the process of learning and truth seeking. This was a broad generalization but for argument's sake, the picture was simplified, if not over-simplified. This line of reasoning could also be easily accused of reductionism. But as food for thought and to cater to the need to address the broad topic, it could be said that the concept of education and the teaching method and the process of truth seeking played a most important part in the differences in the outputs and outcomes of the cultures, ideas and educational systems of the two sides of the world.

The West believed that education was for teaching and learning through discussions and arguments. The students were entitled and indeed encouraged to be critical and analytical. The East most especially in Asia the students were to take education as supreme knowledge as given. The students were to learn while the books and the teachers were the authorities.

The teaching method in the East was for the students to learn by rote as if to memorize a religious tenet. In the West, the students were to think and to ponder the points made in the textbooks and the points made by the teacher to come up with their own arguments. Reasoning and logic and data would form the basis of validity of theory rather than taking the authority by faith.

The East held that the truth had already been established while the West was in constant seeking for the truth along the dialectic method of thesis, anti-thesis and synthesis and then thesis and the process would continue.

All the above would lead to a difference in culture, idea and educational systems.

But at the same times, there were commonalities between the East and the West in the fundamental values germane to the society and the system. First was to have social harmony and the ability to co-exist. But to arrive at that end, different cultures, ideas and educational systems would ensue depending the era and the imperatives of different societies. Second, there was a need to have a viable and sustainable society and other systems. For that end, the people would be prepared by education to fit in the environment and hence different societies would come up with different cultures, ideas and educational systems to cater to the specific needs of the societies which varied.

But as there was a change in technology leading to a change of cultures, ideas and a shift in era, the educational systems would be affected. Hence whether the East or the West, the differences would be narrowed down. This was especially true of theories in the field of science. The quantum theory has no boundary. Regardless of where you learn, the theory would hold true because it can extrapolate in time and space. It is a subject of value free and universally valid. But this is not the case in social science; even in that field there is a tendency to converge, thanks to the commonalities of the various social aspects.

One example of a difference of acquisition of knowledge which impacts upon the economy and indeed has political implications would be the subject of “creative economy.” John Hawkins, in his book, *The Creative Economy*,⁹ argued that all human beings regardless of where they were had creative ideas or creativity. But creativity would have to be supported by an atmosphere of freedom. Without freedom such as a closed political system which did not allow for freedom of expressions or unconventional ideas, creative thinking would be stifled or even killed. With creativity supported by freedom, there needed to be the third element, the market. For business, the market outlets for the merchandise have to be provided and for the academia the arena for academicians to have their works published, etc., have to exist. Hence, the creative economy would materialize when creativity was supported by an atmosphere of freedom and a market was available. Creativity which is the innate nature of all human beings must have room for development and the society must have a system where freedom is allowed to have free thinking while the economy or the business operation or the educational institutions can benefit from a market in operation. In the case of the economy, it must be a market economy while in education it must be a system where freedom to seek the truth is encouraged and supported by society. Here there will be no difference whether it is the East or the West.

The East or the West, in the final analysis, there would not be major differences in the basic cultures, ideas and educational systems. They all share something in common, the thirst for knowledge and for freedom in pursuance of truth and answers in life. After all, the East or the West, they are all human beings. East or West, are in the final analysis all the same, pure and simple.

The common goal of education

A comparison between the East and the West, already discussed, has brought up an issue which serves as food for thought for scholars and policy makers. In the first place, there exists a concept about the difference between the Western culture and the Eastern culture in many aspects including the world view, education, way of life, religious belief etc. Indeed, the well-known saying often found in reading, as mentioned previously, is "East is East and West is West, and never the twain shall meet." That saying needless to say is an over generalization.

While it is true that differences do exist between the two cultures, broadly speaking, there does exist commonalities which people regardless of where they are will share. Take for example, every nation, be it England, France Germany, Japan, China, India, Malaysia, Thailand, etc., will inevitably have create an educational system which will have the salient features in common including teaching the children to learn how to speak, to read and to write the native language, to know his or her national identity, to learn the basic knowledge for getting along with other members in society, etc. All these aspects will be similar in all human communities. To be sure, the commonalities notwithstanding, there are different aspects of educational teaching methods and emphasis. The most quoted example, as already touched upon, is in the West students are usually taught to think, to analyze, to argue, to ask questions and to express their own ideas whereas in the East, students are taught to memorize from textbooks and are trained to learn by rote. Whatever they memorize is of supreme importance because

⁹John Hawkins, *The Creative Economy*, (U.S.: Penguin Books, Ltd., 2013).

it is taken as the truth. The teacher is viewed as an authority rather than a thought provoker so that the learning and teaching process will be dynamic and a two-way communication which will reinforce critical and analytic thinking. In many cases, teachers just repeat what is written in the textbook. This is a style of teaching which can be called “Kara-oke” teaching or teacher while the students are memorizing in the manner of learning how to pray mantra correctly in a temple. Ramifications and implications of the difference in the thinking and learning process including development of creative ideas between the two systems are far-reaching imaginable.

The difference in the method and emphasis of teaching and learning is not only confined to the issue of what type of knowledge one can learn but of more importance is the thinking system of the an individual. It is undeniable that a person who works hard can master mathematics and solve different questions, or an engineer may excel in producing machine through good training. He or she can learn the skill to come up with a nice product. But there is a world of difference between learning how to come up with a machine through imitation and inventing one by oneself. To be able to make a machine by oneself, the person must have his or her own ideas through an independent thinking process not by imitation or by a process of copycat. An educational system which requires the students to learn the subject by heart is indeed no education. It is at best training or as the Chinese say, in effect, that it is a "learning dead knowledge" meaning fixed and without life or cannot grow in intellect.

The above observation is now commonly acknowledged and many nations which suffer from the drawback attempt to rectify the problem. But it is easier said than done. There is a problem of culture here. There is also the problem of the political system. Creativity needs to be supported by a atmosphere of free expression and ideas. Freedom is a *sine qua non* for a liberal education. The reward for creative thinking plays a role here. If coming up with one's own analytical idea is frowned upon and scored low in examination, one would soon lose the zeal of coming up with something new. The alternative of learning by heart and stick to the text books will be more rewarding. In a worse case, initiative may be viewed as a defiance of authority and a display of disrespect for the senior person such as the teacher. Such a culture may even be extended to the officialdom. People who toe the line of the organization would be awarded with promotion and praise while those who showed too much initiative may be viewed as maverick. The ramifications of such an atmosphere on the educational system is self-explanatory.¹⁰

Be that as it may, the nations that have adopted such an educational system have registered growth in many aspects most notably economics and physical buildings. Many countries fared even better than the nations which claimed to have a better educational system in regards to its teaching and learning and evaluation methods. Admittedly, this may be the case. But it has to be pointed out that many of the countries that have made impressive progress in national development have many of their key figures educated in the nations which have an educational system which puts a great emphasis on critical and analytic thinking as opposed to learning by heart.

The above observation is a topic which can be discussed for a lengthy period of time. The topic is challenging for educationists and policy-makers alike. In the final analysis, regardless of what

¹⁰Cf. Likhith Dhiravegin, “The patron-client system and its impacts,” in www.dhiravegin.com

kind of historical and cultural environment one society has, the educational objectives for most countries have in common will be as follows.

First, the basic education through the socialization process of the family is to have a healthy social being. Once a baby born, he or she as *a biological being*, has to be nurtured to have a good health. But of importance is to be socialized to be *a social being* to be able to live in a society. He or she has to learn the language, to learn how to behave and interact with other people, etc. This process will continue in educational institution and in the society at large.

Second, the next educational imperative for a person is to be trained or educated to become *a professional being*. He or she has to learn some profession in order to earn a living by technical training by being a medical doctor, an engineer, a lawyer, an accountant, a businessman, etc.

Third, the person who lives in a society has to learn to be *an organizational being*. He or she has to work in a government institution, or a business firm or any other social organization. But most importantly he or she is a citizen of a country. He or she has known something about politics and government. After all, no one can escape living under the organization of a state. He or she must understand the concept of rights and freedom and responsibility. This is to have political education to be *a political being*.

Fourth, but a person who has all the above aspects will have to fulfill the attribute of the noble creature of having ethic and morality. He or she has thus to be socialized to be *a spiritual being*. Without morality, a human being may not be any different from the brute animals fighting for food and mating.

Fifth, men do not live by bread alone. He or she has to be cultured, having aesthetic values, appreciating art and beauty. He or she has to take in some culture to be *a cultured being*.

Sixth, of all of the “beings,” one important item cannot be overlooked. That is *“individual being.”* “Individual being” means a person must have selfhood and personhood. He has to have a free spirit. He must have freedom of thoughts and expressions as long as they are not against morality and law. Despite all the “beings” above a person has become, without this last item the person would not have what comprises a “man.” And such a society would be in essence an oppressed one automatically. A “man” worthy of the term must have a free spirit. He must be ready to fight for rights and freedom, equality, justice and human dignity.

Regardless of the geographic areas where a nation is situated, east or west, north or south on the planet globe, the above aims of educational system would be the shared commonalities.

The above is the common features of an educational system which can be generalized to be a common aim of education. As to the objectives of education per se, it can be summarized as follows.

First, to give *data* to the students. (data)

Second, to know how to *analyze* and synthesize. (analysis and synthesis)

Third, to learn how to conduct *research*. (research)

Fourth, to come up with *theory*. (theory)

Fifth, to acquire *values*. (values)

Sixth, to be able to *apply* knowledge for use. (application)

These six objectives of education have to be elaborated. But this has to start with the difference between education and training.

Training is a process of teaching to someone is able to do something such as making a table. That person may become an expert in table making to the extent that it was very popular and orders for it kept pouring in. But he could only make a table. Education, on the other hand, is to educate the person to know the various kinds of wood and the quality of each which would be good for particular product. The person would also be taught to know how to make curves and angles on the pieces of wood. Then he would be taught to read blue prints for furniture making which ranges from table, chair, desk to bed and dressing desk, etc. Then he would be assigned to make various kinds of furniture by reading the blue prints and to come up with the products. After a period of time he might come up with his own designs and blue prints. This is an example of education as opposed to training for skill in doing some specific things.

The first objective of education is to let the students or the learners to have basic data of certain things. Basic data such as the number of population of a country, a city, the percentage of the various occupations of a certain country, etc. These basic sets of data have to be known by the students. The objective is to be familiar with the environment. The focus is not on memorizing data but to use it as a background upon which other uses can be employed. For further data in detail, the students or the learners have to know how to dig up for it in statistic documents printed or by some other devices. In other words, education is not evaluated on the basis of the ability to know more facts and memorize facts or data but some other more important elements. This is the reason why learning by rote is a normal practice in certain societies and the criterion for a "learned" man is to be evaluated by how much facts or data he or she knows or remembers the significance of the basic data notwithstanding. The process of education, indeed a wrong word or a misnomer, is the three R's, read, remember and repeat. Read means knowing from reading or listening or watching and then try to remember or memorize what has been read to be used for answering examination questions by repeating what has been memorized. There is no process of critical thinking and analytic thinking with no ideas of one's own whatsoever. The process is a static one with no chance for new knowledge or ideas to come forth.

The second objective of education is to teach students or the learners to have critical thinking and analytic thinking with the ability to synthesize. For this purpose, the person must have an analytical mind. That is the tendency to ask "why" and try to come up with answers by searching for reasons or factors which have led to a certain thing or phenomenon. This answer is fine but it is tautology. The question is how to have an analytical mind. The answer may be as follows.

First, every human being since childhood has an inquisitive mind and analytic thinking. Young children would ask the mother how come that object is different from another object; how come he is different from his sister in some parts of the body; why dogs are different from cats, etc. The mother, if educated and is in a culture where the children are viewed as human beings, not as toys or innocent beings which cannot be reasoned with, would try to answer these questions in a serious manner and with tolerance and regard for the right of the children. But in a certain society, the questions asked by the children might be shunned and dismissed as nonsensical words from a child and would just kept silent or even reprimanded the children for causing a nuisance. Inquisitiveness would turn into something taken as a nuisance by the mother or the parents. The process if continues would discourage the children from asking further questions and would learn that if he or she just follows what the parents said or did would be more rewarding than having initiatives or creative thinking. This

process would be reinforced by an educational system in which there is an emphasis on learning by rote and evaluation is corresponding done by the ability to repeat what is taught. The two processes, socialization in the family and the learning method and culture in school will kill the critical and analytic thinking of the children. The saying, in effect, the more one learns, the more stupid one becomes, is not further from the truth.

The second part is the culture of the society. In interactions, in mass media and in some other circumstances especially in religious beliefs which forbid the learning of different ideas or voicing of different opinions, the people would be instilled values and ideas which are taken as the truth and hence no questions would be raised, either in the mind or in conversations. What exists in the society to a great extent is taken for granted as the *summum bonum* and it is a taboo to question the "self-evident" truth." Under such a social atmosphere, the people are used to adhere to the conventional belief and norms because all things are taken for granted as said.

The above situation will never lead to the development of an analytical mind, let alone the ability to analyze and then to synthesize. Learning is done through a process of memorizing and slavishly taking all that have been taught as given and as the ultimate knowledge. What the teacher teaches is the truth and with authority. It is to be taken as words in a holy book.

The question is: how to rectify the problem? The following is offered as food for thought.

For the students or learners to develop a critical and analytic thinking, the parents have to change their attitudes and this can only happen when they are educated by a modern method. Otherwise, the effort will become futile because it is the fact that one cannot produce something different when the mode of production and the machine are of the old fashion.

The second part is the educational system most notably the teaching process. Teachers are supposed to teach students data but more importantly is to lead them to think, to develop critical thinking, analytic thinking and creative thinking. For the three processes, students must have freedom to present their own ideas and opinions. Teachers must show a keen interest in students' ideas and opinions and be tolerant against new ideas and outlandish ideas. Evaluation of performance should be based on knowledge but also initiatives. The practice should help encourage and develop a critical, analytic and creative mind which is the main objective of education. Memorizing data is important but data should serve to enhance and strengthen analysis rather than just memorizing data per se.

Research, theory, value and application are the remaining objectives to be discussed below.

The third part is concerned with research. Why do we have to conduct research? Research is to get data to serve as a basis for further study. But of importance is research is to confirm what has been postulated or analyzed as discussed above. To analyze is to exercise one's critical thinking and analytical capacity to serve as a first step of finding knowledge. It serves as a hypothesis. After analysis, one has to conduct research to look for more data to prove that what one has analyzed is borne out by empirical evidence. With no further research to prove to confirm or sometimes to inform the analysis, it will remain a hypothesis pending confirmation by more convincing data which has to be obtained from research.

Research will depend on the subject matter under study. Qualitative analysis will differ from quantitative analysis in regard to research procedure. There are a wide range of research procedures including the use of the available data, (official statistic records, company records, etc.), interview,

questionnaire, experimental study, observation, participant and non-participant. It can also be a combination of qualitative and quantitative methods. Knowledge of statistic is also necessary to render weight to the findings.

The fourth part is theory construction. Once a study on a certain subjects has been repeatedly done and the findings are the same, one may venture to argue that there is a close relationship, for example, between the level of education and political consciousness. This is proven by studies and they would form into what is known as “partial theory”.

The fifth part of a study is to instill, either intentionally or unintentionally, values. Those who study law would almost automatically believe in justice, the rule of law and the right procedure, the due process of law. To be sure, there are those who may not care much about all these values except to study law as a profession.

The last part is application. A person who has received a good education should have a better understanding about the world, the environment and above all himself. He or she should be able to apply what has been learned for work, for human relation and most importantly for solving personal problems so that life will be more livable.

The six items for objectives of an education are given here as food for thought and for further studies.

Conclusion

Education is the most important factor in creating a “desirable” man. As the Chinese philosophy, as already mentioned, would have it “how to be a good man.” Education builds desirable men and men create a good society. Men are the creators. Creators must have good qualifications. They must be developed in the physical part or the body, the thinking part or the brains and the spiritual part or the soul. Body can be built by knowledge of food and physical education whereas mind and soul can be built by technical and moral education. In this sense, education is the key factor that can bring about human and societal progress.

The significance of education can hardly be over-emphasized. Education, as pointed out in our discussion, regardless of East or West will aim at the same goal and hence there are commonalities in objectives of education, differences in certain aspects notwithstanding.

Education is for national growth and national power, for social justice and for human dignity, etc. But indeed, education goes beyond what has been said. Education, it can be argued strongly, is related to peace domestically as well as internationally. Internally, if the people are educated to be able to stand on their own feet economically, with rights and freedom and human dignity, a society marked by peaceful coexistence with social harmony may not be a far-fetched dream. If the people are educated to be a person with an intellectual endowment, a good soul with spiritual value, loving of humankind, arguably there will be a good prospect for the world community to co-exist in peace. Education arguably can thus bring about social harmony for peaceful co-existence and in the final analysis for “Harmony of Humanity.”

It is to be pointed here that it is a coincidence that the International Day of Peace, September 21, 2013 of the United Nations had as its theme “Education for Peace.” Indeed, Malala Yousafzai, the

Pakistani girls' education campaigner who was shot on the head by Taliban militants discussed about education promotion as her ultimate dream. She also related educational promotion to the Nobel Peace Prize. Indeed, she was even nominated for the prize. She was not awarded but if she continues her sacred mission, there is a possibility that her dream will one day come true. The girl who risked her life fighting for her cause showed her determination to fight for the right of education for girls as well as boys. She said she believed that children whether black or white, Muslims or Christians should have a chance to go school (in her village). At the United Nations she said impressively that "one child, one teacher, one pen and one book can change the world."

The moral lesson that many of us can draw from the bravery of Malala is perhaps that if a girl of 16 has a strong determination to fight for the right of education for the children, cannot we the adults most notably governmental leaders do likewise for the noble cause, for the improvement of humankind, for social justice and for national development? Most notably, it should enhance the development of the nations of ASEAN through educational co-operation and collaboration which should foster connectivity on the various aspects of the region.

Education should help build a good society based upon the principle, as already touched upon, that "Education builds men, and men build society and nation." A good and desirable society is one which guarantees human security which incorporates seven items of security of UNDP: Economic Security, Food Security, Health Security, Environmental Security, Personal Security, Community Security, Political Security. In the final analysis, it is to liberate men from *want* and from *fear*.

The most desirable ultimate goal for education for humankind is, as already argued, to eradicate ignorance and poverty. It is to be geared toward human development, or the development of good character and for progress of society, of a nation or region most especially ASEAN or the world at large. In the final analysis, education is to build a good society where people, as said before, can develop their body, mind and soul and of more importance social soul which encompasses loving compassion, and kindness. A good education should be one which builds a society and a political system characterized by democratic spirit, rights and freedom, equality, justice, human rights and human dignity. The aim is to achieve a society which upholds human dignity and social justice which can lead to, as advocated by the UN, the ultimate goal of world peace.

ASEAN Integration and the Roles of ASEAN

Dynamics of Supranational Institutions and Nation-States: Issues and Challenges for the ASEAN Integration*

(3)

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Abstract

This paper explores the impact of supranational institutions and its policies in relation to sovereign nation states and their administrative systems. The realities of a globalized order has brought about today the rise of global governance organizations, or what this paper refers to as supranational institutions (i.e. World Bank, the United Nations, the World Trade Organization and the Financial Action Task Force). These are generally established by agreements and protocols by the international community of nations. Over the years, these institutions have developed rules and policies that sometimes impinge on the integrity of laws of sovereign nation states and their administrative systems. This paper further explores the emerging or emergent issues and challenges for public administration study and practice as a result of the rise of these global non-state actors with some discussions on ASEAN Integration.

Keywords: Supranational Institutions/ Global Governance Organizations/ Globalization/ Good Governance/ ASEAN Integration

Introduction

The increasing interdependence and integration of nation-states pervasive in the globalized regime have brought profound and distinct changes in world affairs today. The growing spread of globalized arrangements has altered the modalities of interaction and relationships of societies in the world not only on the generally conventional spheres of international trade, the rapid movement of capital and financial transactions and of various economic activities, but on many other aspects of relationships at the international level.

As a phenomenon that has engulfed the processes and directions of international affairs, the era of a globalized milieu has increasingly brought about remarkable adjustments and adaptations in the conduct of political, social and cultural interactions and activities of nation-states.

The rapid advances in the development and diffusion of information and communication technology have facilitated the spread of exchanges among citizens of different nationalities. Likewise, improved and progressive transportation systems have brought about increased mobility among citizens bringing about greater fluidity in social relations transcending and cutting across territories and borders of sovereign nation-states.

Into this milieu would also evolve patterns of intense cooperation and collaboration among governments and its instrumentalities, as well as among private and non-government institutions of varying nationalities, on common problems confronting the international community.

During the past two or three decades, significant attention of the international community has come to focus on a vast area of concerns and problems involving nations. Issues such as poverty, the amelioration of underdeveloped or marginalized societies, human rights and its violations, environmental protection, health issues, telecommunications, among others, have preoccupied the agenda of the international community. These has been made more complex with problems on the containment of transnational crimes, such as terrorism, the illegal drug trade, money laundering, human trafficking, and corruption, among others.

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From the wellsprings of these phenomena would evolve the proliferation of numerous international organizations, referred to interchangeably as “global governance institutions” (Koppell, 2008; Buchanan and Keohane, 2006), “multilateral institutions,” (Grant and Keohane, 2006), “international organizations” (Dahl, 1999), “transgovernmental networks” (Slaughter and Hale, 2013), or what can also be labelled as “supranational institutions” (Reyes, 2014).¹

The terms may vary but they all generally refer to multilateral international entities or non-state actors that, like governments, “issue rules and publicly attach significant consequences to compliance or failure to comply with them” (Buchanan and Keohane, 2006: 407). In the process, these institutions assume some form of authority to enforce their rules with the power of international legality over their actions, and apparently with the consent of participating nation-states.

This paper looks at the important and compelling issues covering these multilateral institutions which in recent decades have increased dramatically. The paper aspires to explore issues of legitimacy and accountability – two of the cardinal values or principles pervasive in study and practice of public administration and of governance - in the exercise of their functions and powers. As such, this study seeks to contribute to the broadening discussion of issues involving supranational institutions as they affect and impinge on the affairs of sovereign nation states and their citizens (Reyes, 2014; Slaughter and Hale, 2013; Buchanan and Keohane, 2006; Grant and Keohane, 2005; Kahler and Lake, 2004).

This discussion becomes significant and even more compelling for students and scholars of Public Administration² within the Asian community as the Association of Southeast Asian Nations (ASEAN) gears today towards greater regional integration. As it is, some of the member nations of this emerging if not emergent agreement are nation-states are countries besieged and struggling with endemic problems of economic and political discontinuities, marked for a large part by heavy pockets of poverty, of economic instability, all of which bring about the spread of marginalized and impoverished communities that need urgent attention.

Globalization and the Rise of Supranational Institutions

The advent of heightened globalization of the world community has brought about overpowering challenges today in the study and practice of Public Administration. The dynamics of globalization no doubt exerted a profound and remarkable impact on the economic and political life of the international community of nations, where, as it is now, important shifts in the locus of authority are occurring.

As correctly observed by analysts of the world order, the monopoly of the state in the exercise of governance functions are being significantly devolved today either to newly empowered regions, provinces, and municipalities or having them “migrate” to “supranational organizations,” “private firms” and “transnational non-governmental organizations.” These are institutions that assume some measure of authority and the concomitant exercise of power for the purposes they were established (Kahler and Lake, 2004: 409). Buchanan and Keohane offer a somewhat concise description, saying that:

“ ‘Global governance institutions’ covers a diversity of multilateral entities, including the World Trade Organization (WTO), the International Monetary Fund (IMF), various environmental institutions, such as the climate change regime built around the Kyoto Protocol, judges’ and regulators’

¹ This Study is a follow-up of a previous paper on supranational institutions which dealt on issues affecting the study and practice of Public Administration as a result of the globalized era. See Reyes, 2014. The terms “global governance institutions,” “trans government networks,” “international organization,” multilateral institutions and “supranational institutions” shall be used interchangeably in this paper.

² As in previous papers, this discussion adopts the distinction started by Waldo in 1968 where the discipline or the field of study is denoted by capital letters while the processes, practice and the profession are put in lower case. Thus “Public Administration” refers to the discipline or the field of study, while “public administration” to the processes and the dynamics. See Waldo. 1968. “Public Administration.” in Marian Irish (ed.) **Political Science: Advance of the Discipline**; and Waldo. 1975. “Education for Public Administration.” In Mosher (ed.). **American Public Administration: Past, Present, Future**, p. 181 (fn). See also Reyes, 2014; Stillman, 2010: 17; and Rosser, 2010: 556, endnote).

networks, the UN Security Council, and the new International Criminal Court (ICC). These institutions are like governments in that they issue rules and publicly attach significant consequences to compliance or failure to comply with them – and claim the authority to do so.....” (Buchanan and Keohane, 2006: 406, ital. mine).

Undoubtedly, in this our contemporary period, supranational institutions have multiplied in unremitting fashion. These multi-lateral entities are, in a manner of speaking, transnational or supranational in that they do not belong or controlled by any sovereign nation state, although they may install their headquarters or offices in a particular country. They have been established presumably upon the consent of independent nation states to address sector specific problems facing the international community. They are of particular interest to the study and practice of Public Administration because they are engaged not only in policy-making, but in some form of administrative action.

To be sure, the deepening extent and magnitude of cross-border connections in this globalized period have affected many facets of human activities, and in so doing, have exacted challenges in the functioning of sovereign governments and their bureaucracies. This state of affairs has been described as the problematic of what Frederickson has called as a disarticulated state, which in his rationale, has been marked by the erosion of state capacities to deal with “complex social and economic issues,” mainly as a result of the widespread mobility and movement of people and institutions across permeable borders.

The effect, Frederickson asserts, is the fragmentation of the state’s jurisdiction where aspects of “[i]nvestments, production, and consumption are seldom geographically contained.” In this condition, the net effect is the “corresponding decline in the capacity of jurisdiction to significantly contain some public policy issues, and, ...in the jurisdictions’ ability to ‘manage’ them” (Frederickson, 1999: 702-703). There is thus a need, in Frederickson’s terms to consider the “repositioning of public administration,” which he claims is compelling to understand these developments that bear impact on public management and how to deal with them. He points out in his seminal discourse, thus:

“...What is important is how these trends affect public management. How do you define and understand public management when the city, the state, and the nation-state are less relevant? How do you define and understand public management when sovereignty is in considerable doubt?” (Frederickson, 1999: 702, as also cited in Reyes, 2014).

As global integration of the world community therefore intensifies, political, economic and other forms of authority are being gradually eroded from sovereign nation states, particularly from developing or underdeveloped countries. There is today the phenomenon of increasing deterritorialization, or the growing loss by independent nation states of the effective management and control of their territories and jurisdictions.

The challenge therefore for the study and practice of Public Administration and of governance is to consider the necessary adjustments and adaptations that must be engendered by nation-states and their bureaucracies – and public administration – on how to meet these concerns (Reyes, 2014, Durant and Ali, 2013; Frederickson, et. al., 2012; Frederickson and Smith, 2003).

An issue that hovers however in this clutter of big issues and difficult questions is the growing dominance of an emerging, if not already emergent, “polycentric” regime, which is marked by a system of many decision centers exercising autonomous yet limited prerogatives towards enforcing a set of rules upon the international community of nations and its citizens. Polycentricity here implies multiple decision centers of non-state actors operating at the supranational level, beyond the borders of any nation-states and encompassing in jurisdiction (Reyes, 2014; Durant and Ali, 2013).³

This refers essentially to the rise of powerful non-state supranational institutions that are established by virtue of agreements, commitments or ascent of independent governments to address, regulate or facilitate cooperation and action on certain matters of concern confronting or threatening

³ In a previous paper, I have outlined more or less what I suggest must be the foci of the agenda of research and discussion in the study of Public Administration. See Reyes, 2014.

the world order. Semblances of these institutions have begun to emerge even before the First World War as the capitalist economy of nations began to institute political and largely economic integration. Through the years, economic and political integration “increased in tandem,” and with the latter half of the twentieth century continued to intensify with waves of global and regional integration movements. (Kahler and Lake, 2004: 410).⁴

The rise of these institutions has increasingly been associated with the demands for some form of “transnational policing.” As such they “have been used to address the leading problems of the day, ranging from high politics questions of national security and official corruption to more mundane issues such as common policies on airline regulation,” as well as regulatory cooperation in tax, antitrust, food and drug, and telecommunication regulation including such advocacies as the protection of race, gender and the disabled (Slaughter and Hale, 2013: 342).

Thus, these institutions have been established “in response to the complex governance challenges posed by increasing transnational interdependence” (Slaughter and Hale, 2013: 342-343; also citing Sabel and Zeitlin, 2006). The efforts to solve transnational problems or what Kahler and Lake cites as “cross-border spillovers,” consequently provide the impetus towards the expansion of supranational authority or non-state actors, and in so doing, heightened intervention in the affairs of sovereign governments (Kahler and Lake, 2004: 411).

As such, these multilateral entities establish rules that require nation-state to comply or face sanctions, thereby assuming some form of transnational policing functions covering the jurisdiction or purposes for which they were established and extending their reach to the jurisdictions of sovereign nations. They are, in a way, multi-jurisdictional, and equipped with their own sets of corresponding enforcement networks.

Public Administration, Global Governance and Supranational Institutions

The realities of global governance today invite fresh challenges and concerns in the study and practice of Public Administration. As rightly posited by Bevir and Hall, “global governance offers a new theoretical lens through which to view international relations,” and, now “signals a particular interest in the management of transnational issues by international organizations and other non-state actors as well as by sovereign states” (Bever and Hall, 2013, p.352; also citing Cutler, 2003).

What then are the implications of supranational institutions for the study and practice of Public Administration and of governance? Obviously, there is a host of diverse issues involving international relations, international organizations, the political economy of international regimes, and other areas that reflect the dynamics of a changed and a changing global order. There is now a compelling need for the discipline and its practice to undertake a more rigorous review and adjustments, of the research agenda, especially among Asian scholars, where foci of interest must gravitate equally from national and territorial perspectives with international and transnational issues.

In a previous paper, a suggested and tentative research agenda was submitted and which can still be further expanded depending on developments in the discipline and in the giddiness of events continuously unfolding in the world order (Reyes, 2014). This agenda was culled from different insights derived from the viewpoints of other experts in the field, although synthesized or summarized to render a quick inventory. Admittedly, this proposed agenda needs further refinement although some important areas of concern have been offered.

These areas of research involve more focused explorations on “the intricacies and complex arrangements of institutionalism in the international order;” the studies on the realities of what has been called as new institutionalism; inquiries on the nature of network theories and administrative conjunctions, which essentially diagnose “patterns of cooperation under conditions of interdependence” analyses of inter- institutional governance processes and practices; the safety nets needed to be put in place by developing societies to ensure the adaptation of their economies to the demands of a globalized era; and the need to examine the difficult and complex issues of legitimacy and

⁴ Kahler and Lake (2004) provide a brief but good review of the historic perspectives of the stages of globalization and integration efforts in the world order as related to global governance.

accountability of supranational institutions exercising regulatory powers over the international community of nations (Reyes, 2014; Durant and Ali, 2013; Frederickson, et. al., 2012; Frederickson and Smith, 2003; Frederickson, 1999).

It is on the last item of this set of concerns which is given focus in the present discussion.

The Legitimacy and Accountability of Supranational Institutions and Global Governance

As claimed by Grant and Keohane, the interdependence of nation-states, as marked by the globalization of businesses and transnational companies, “the expansion of the scope and authority of multilateral organizations, and rapid increases in the number of nongovernmental organizations (NGOs) have heightened concerns about the way power is used and abused on the world stage” (Grant and Keohane, 2005: 29). As such, there is today a broadening discourse on the issue of global governance and the impact of supranational institutions and their exercise of devolved power and authority (Reyes, 2014; Bevir and Hall, 2013; Bingham, 2013; Slaughter and Hale, 2013; Buchanan and Keohane, 2006; Grant and Keohane, 2005; Kahler and Lake, 2004).

Global governance today has brought to the fore the realities of activities involving multiple actors operating within overlapping jurisdictions and the diffusion of administrative action in an environment marked by “a fragmented and disarticulated state” (Bingham, 2013, p.386; Kettl, 2002; Frederickson, 1999).

There are claims that new non-state actors that have emerged because the globalized regime has “undermined the capacity and authority of states to exercise an exclusive and unchallenged power over their own territorial jurisdictions,” marked to a large part by the “erosion of statism and territorialism” (Bever and Hall, 2013, p.354).

While there are those who maintain that the exercise of global governance provide a “necessary and desirable response to challenges that states, international institutions, and international agreements could not tackle properly, it is also claimed that global governance can be “a malign project aimed at preserving and extending a Western neoliberal hegemony” (Bever and Hall, 2013, pp.354-355, also citing Thomas, 2000).

This is because in the global governance process, the international institutions established by the fiat of participating states do not function simply as coordination and cooperation mechanisms facilitating international behavior. They instead create and institutionalize norms and rules that regulate conduct on the area for which they are created and designed to address. It is quite clear here that the powers exercised by major supranational institutions are delegated by the states that created them. But, as Kahler and Lake point out, the delegated authority if not carefully monitored can be “lost” or “transferred, permanently if unofficially to agents” (Kahler and Lake, 2004, p.410).

The Financial Action Task Force (FATF) for example, is a 34-member network of countries established in 1989 and tasked with the fight against money laundering and the elimination of financial support for terrorist organizations. Its functions, among others are to develop standards and policies to check and limit money laundering activities and by which countries must observe or face sanctions that may compromise transnational financial transactions of their governments and nationals. Based at the Organization for Economic Cooperation and Development (OECD) headquarters in Paris, the FATF was founded upon the initiative of G-7 countries and has been criticized as a tool of these G-7 economies. Such policies can or may impinge on banking policies, especially secrecy laws, of independent nation states. (Reyes, 2014; Slaughter and Lake, 2004).⁵

⁵ *The G-7 or Group of 7, of course is an organization of finance ministers and central bank governors established sometime in 1975, and officially formalized in 1985. It consists of seven advanced economies, Canada, France, Germany, Italy, Japan, the United Kingdom and the United States and was established to monitor developments in the world economy and institute economic policies (see Info Please <http://www.infoplease.com/encyclopedia/history/group-seven.html>). The interested reader may find Slaughter and Lake's (2004) discussion on other prominent supranational institutions such as the Basel Committee on Banking Supervision, founded in 1974 by central bank governors of industrialized economies to improve the quality of banking supervision worldwide; and the International Conference on Harmonization of Technical Requirements for the Registration of Pharmaceutical Products which regulates the entry of new pharmaceutical offerings.*

On the other hand, the IMF has been reported, especially during the 1990s, to have “inconsistently applied its own standards with respect to its lending, systematically relaxing enforcement on countries that had rich and powerful patrons...” Likewise, the WTO, while claiming that its policies will benefit all its members in trade liberalization, has been alleged to have drifted towards adopting policies “that exclude weaker members from the benefits of liberalization...” (Buchanan and Keohane, 2006, p.423).⁶

Buchanan and Keohane, while acknowledging that global governance institutions help promote international cooperation, emphasize the following to stress this point:

“...At the same time, however, they [global governance institutions] constrain the choices facing societies, sometimes limit the exercise of sovereignty by democratic states, and impose burdens as well as confer benefits. For example, states must belong to the WTO in order to participate effectively in the world economy, yet WTO membership requires accepting a large number of intrusive rules, authoritatively applied by its dispute settlement. Furthermore, individuals can be adversely affected by global rules – for example, by the blacklists maintained by the Security Council’s Sanctions Committee or the WTO’s policies on international property...” (Buchanan and Keohane, 2006: 407, ital. mine).

The problematic that emerges here is that the individual self-interests of states dominating the management – and the financing – of supranational institutions may prevail over other developing, underdeveloped or weak state members. This issue has led some observers to point out that global governance and the international institutions that pursue them tend to suffer from a “democratic deficit,” - of being agents with the purpose “of trampling the interests of marginalized peoples or poor countries to promote their preferred policies” (Slaughter and Hale, 2013: 348).

In this milieu, the legitimacy and the accountability of supranational institutions have aroused some degree of concern. To be sure, legitimacy and accountability are two of the most compelling and cardinal values or principles in the engineering of the good governance framework, side by side with the other hallmark ideals of participation, citizen empowerment, transparency, openness, predictability and the rule of law, among others. For the purpose of the present discussion of supranational institutions and global governance, we shall limit analysis to legitimacy and accountability, not because the others are less important, but because covering these other items are far too complex to fuse in a single paper.

Legitimacy

Do supranational institutions exercising some form of authority to regulate actions in the world community have legitimacy? There are no hard and fast answers. As observed by Buchanan and Keohane, it is important for global governance institutions not only to be legitimate, but they must also be perceived to be legitimate (Buchanan and Keohane, 2006, p.407).

Classical Weberian values in the study of the relationship between the rulers and the ruled – the governor and the governed – have maintained that legitimacy must be based on this one basic consideration: the consent of the governed. Essentially, legitimacy would involve the claim of having the right to rule. Legitimacy, as pointed out by Considine and Afzal, “is a crucial requirement for public sector organizations since it is directly related to their acceptability, credibility, approval, and support both amongst citizens and other stakeholders, including foreign elites” (Considine and Afzal, 2013, p.370, citing Haikio, 2007, and Suchman, 1995). By extension, it must also serve as a crucial requirement for non-state actors that impose rules on the members of the community of nations.

A critical standard of legitimacy is determining the availability of avenues by which the participants are enabled and empowered to take active part in the deliberation and the shaping of policies that will affect them. Among supranational institutions, state consent on rules on decisions will have to be fostered, and must have some measure of acceptance from the nationals of these states.

⁶ One interesting issue of inequality is the application of intellectual property rights. While less developed countries are duty bound under the terms of the WTO Agreement to protect copyright of intellectual properties and patents (films, books, software, etc.) of advanced countries in their societies against piracy, these countries may not have intellectual properties that need to be protected in the developed societies.

While proposed laws of democratic nations are usually subjected to active consultation and stakeholder involvement from affected citizens, the decisions of supranational institutions such as the WB, the IMF, the WTO or the FATF may be reached without the participation of marginalized economies and their nationals. As it is participation in membership in these critical supranational institutions are not exactly voluntary, because sanctions and costs can be incurred by those states that do not participate or comply.

The challenge then for Public Administration is to, firstly, to pursue more research initiative towards understanding how decisions and rule-making practices of supranational institutions can be made more accessible not only to representatives of their member states but towards broadening involvement of their nationals who are the ultimate stakeholders of any decision or rule that may be launched by global governance institutions. In this sense, the importance of establishing some form of global standards in the dynamics of the decision process could be established.

Secondly, how can global governance institutions be measured as enjoying legitimacy from all its members? As suggested by Buchanan and Keohane, standards of legitimacy in the global community of supranational institutions must be agreed upon. The way out, these authors suggest, is “to build conditions needed for principled, informed deliberation about moral issues into the standards of legitimacy itself.” Thus they continue:

“...The standard of legitimacy should require minimal moral acceptability, but should also accommodate and even encourage the possibility of developing more determinate and demanding requirements of justice for at least some of these institutions, as a principled basis for an institutional division of labor regarding justice emerges” (Buchanan and Keohane, 2006, pp.421-422).⁷

Global governance institutions must be engendered to promote conditions of legitimacy, foremost of which would be the key values that support democratic processes of transparency, participative consultation and openness. It may not be improper to say that the consent and agreements of powerful states thru its representatives to global governance organizations must not be the sole determinants of legitimacy. It must represent the interests of the majority of sovereign member nations, many of which are developing, underdeveloped, or struggling with problems inherent in their respective societies.

Thirdly, the study of Public Administration must engage in a rigorous and focused understanding and appreciation of the bureaucracies of supranational institutions to allow the international community of nations gain a better perspective on how they operate, what values and norms they observe, and how decisions are made.

Accountability

Are supranational institutions that are vested and delegated with regulatory powers over the international community accountable? If so, to whom are they accountable? Supranational institutions, particularly those that exercise regulatory powers in the global community, are increasingly confronted today with mounting demands to be accountable in the exercise of their functions, with critics and commentators of globalization “viewing such organizations as relatively uncontrolled, criticizing them as ‘unaccountable’ while celebrating the democratic accountability of states (Grant and Keohane, 2005, p. 29, also citing Dahl, 1999).

Grant and Keohane pursue this point as they rather validly point out that “multilateral institutions are faced and constrained today with “accountability mechanisms,” while claiming at the same time that multilateral organizations are accountable and can be made accountable.

They however also bring up the issue now gaining prominence in contemporary discourse as to whether supranational institutions such as the World Bank or the IMF should be held accountable only to the states that authorized their establishment, provide these institutions with funding, or ensure

⁷ The authors also provide an interesting discussion towards building standards of legitimacy for supranational institutions which are far too complex to discuss in this present study. See Buchanan and Keohane, 2006.

creditworthiness. Can they be also made accountable to poor and weak states and their citizens who are most affected with their policies?

Thus, as these observers continue, “there is clear tension between the concept of a World Bank that is accountable to poor people and one that is accountable to the U.S. Secretary of State” (Grant and Keohane, 2005, pp.29-30, p.33)⁸. The issue here is even made clearer with the following point as they write:

“Nothing in our discussion is meant to imply that accountability mechanisms in world politics work optimally, or even very well. We have emphasized that democratic standards for accountability are not met at the global level. Accountability in global politics is inextricably entangled with power relationships...Those who would hold power-wielders to account need power themselves. Weak actors – including small, poor countries in the Global South, and, more, their often disenfranchised publics – lack the capacity systematically to hold powerful actors accountable...” (Grant and Keohane, 2005, p.40, ital. mine).

Accountability in the first place can be described as “the obligation to be responsive to the legitimate interests of those affected by public policies, where the obligation to respond is embedded in legal or democratic rights” (Considine and Afzal, 2013, p.371)⁹. Grant and Keohane provide a more pointed description, saying that,

“Accountability, as we use the term, implies that some actors have the right to hold other actors to a set of standards, to judge whether they have fulfilled their responsibilities in light of these standards, and to impose sanctions if they determine that these responsibilities have not been met...” (Grant and Keohane, 2005, p.29).

How then are we to render global non-state institutions and actors to be accountable not only to the participating states and their nationals but to the global community at large?

A corollary issue is to determine what constitutes abuse of power. Likewise, who should be entitled to hold non-state power wielders as accountable in the global arena? How can we render non-state actors exercising powers over sovereign nation state be transparent not only in the dynamics of decision making, but in their operations and deliberations, and more importantly, in the imposition of sanctions on non-complying nation-states?

Undoubtedly, the dynamics of transgovernmental networks do not clearly provide for mechanisms of accountability. It is quite ironic that “weak and dependent states may be subject to fiscal and supervisory accountability” and may be compelled to cooperate with the dictates of supranational institutions in order to avoid facing sanctions. As such, participation by those affected by transgovernmental institutions with their policies may be deemed as minimal, and all too often, transparency in the exercise of their powers is somewhat wanting (Grant and Keohane, 2005, p.39).¹⁰

Obviously, these issues would be difficult obstacles to hurdle. These concerns must now fall within the realms of more rigorous study and research for Public Administration. Again, the need to establish standards of accountability in the operations of global governance would have to be

⁸ Grant and Keohane (2005) cite in this discussion the case of former WB Chief Economist and Senior Vice President Joseph Stiglitz from 1997-2000. Stiglitz was allegedly forced to resign after antagonizing the U.S. Government because of his criticisms on the failures of WB neo-liberal policies. He was reportedly made to resign on orders of then U.S. Treasury Secretary Larry Summers who served from 1999-2001 during the Clinton administration. (<https://www.globalpolicy.org/component/content/article/209-bwi-wto/42796-joseph-stiglitz.html>). Stiglitz is now Professor of Economics at Columbia University in New York. Unfortunately, I was not able to access their references to this case but the point, banking on their passing example, is quite clear that governments that provide funding can have some powers over others states on decisions made by supranational institutions. The authors cite Financial Times, June 16, 2000 and Stiglitz, 2002.

⁹ These authors provide a rather incisive discussion on the concepts and operationalization of legitimacy and by extension, of accountability, especially in relation to new public management. See Considine and Afzal, 2013).

¹⁰ Grant and Keohane, 2005 provide an equally incisive discussion proposing for accountability mechanisms and expounding on the types of accountability – hierarchical accountability, supervisory accountability, legal accountability and fiscal accountability, among others. There is not enough space in this paper to dwell on these extensively.

engendered and should be seen as compelling. There is also the challenge here of how to make powerful supranational institutions more transparent and sensitive of the predicament of weak nations.

These can however be considered as part and parcel of the growing agenda of the study of Public Administration towards understanding the nature of international bureaucracies as had been suggested in an earlier paper (Reyes, 2014). They are challenges for Public Administration study and for the profession regardless of nationality because they bear impact on the management of public affairs at the national level. These are issues and challenges not only for students and scholars of the discipline of Public Administration, but on independent and sovereign nation-states who bear the brunt of some measure of the hegemony of non-state actors. There is a need today to rationalize existing international arrangements because they would have serious implications on the direction which the global community must take in the future.

Prospects and Agenda for the ASEAN Regional Integration

The initiative towards regional integration of the ten member nations of the ASEAN no doubt brings about prospects for greater and enhanced cooperation. As it is ASEAN countries combined cover a huge land area of about 4.46 million square kilometers, 3 percent of the world's total land area, and representing about 8.8 percent of the global population. (http://en.wikipedia.org/wiki/Association_of_Southeast_Asian_Nations).

This “landmark” vision towards framing “a single market and production base” seeking to set the stage for “a free flow of goods, services and investments, and a freer flow of capital” in ASEAN can presume to augur well for the ten member nations of Southeast Asia in terms of heightened collaboration. But there are issues that need to be resolved. For one, the ASEAN Economic Community Blueprint a host of many aspirations and ideals.

Will ASEAN Connectivity serve to forge a united stance among member states against the presumed hegemony of non-state actors or supranational institutions acting in the world's stage? Will ASEAN regional integration serve as catalysts towards protecting weak members against inequality in the globalized regime? Will it serve as the vehicle towards transforming struggling nations from the throes of poverty? Or will the ASEAN initiative build more regional institutions that may further dislocate impoverished societies? Will the integration be compatible with existing laws and policies of the members such as competition laws? Are there sufficient safety nets to protect marginalized citizens and their communities with the adjustments and changes that will have to be engendered to operationalize the integration? How are we to eliminate investment impediments and will the actions of whatever regional institution will be created to implement the integration be transparent and perceived to be legitimate not only by the governments of member nations but their citizens as well?

Certainly, there are no hard and fast answers but these issues can be incorporated in the evolving agenda of this movement today.

Concluding Remarks

In this study, the issues and challenges for Public Administration involving supranational institutions have been superficially addressed. There are many more that may not have been given prominent attention here. The research agenda is thus vast and overwhelming. In recent years, there has been an incipient interest in the dynamics of supranational institutions and it can be expected that this interest will intensify as supranational institutions continue to assume dominant roles in global governance.

It should be made clear however that this paper is not intended to serve as an indictment of supranational institutions. It is, for all intents and purposes, a call towards rationalizing their activities that they may function fairly and objectively in addressing the objectives for which they were established. It is thus designed to contribute to the discourse of rationalizing global governance organizations and global governance itself that they may be transformed as truly representative of the common interests and collective welfare of the international community, regardless of capacities, wealth, power or influence.

It is conceded here likewise that much of the cases impinging on supranational institutions and their treatment of sanctions on weak nations still need further research, structuring or ordering, as the ones identified here may be deemed to be “anecdotal.” The important agenda that must be given attention is that there is now a growing, and hopefully, a sobering discussion on the need to rationalize the operations of supranational institutions, particularly in the aspects of legitimacy and accountability as would befit the demands of good governance in the global arena. Here lies the challenge for Public Administration, particularly among Asian, Latin American and African nations that are generally marginalized.

In the coming years, it is probably safe to say that supranational institutions will remain to be prominent fixtures in the dynamics of the global system. But again, as Kahler and Lake maintain, contemporary scholarship has rendered “only a partial, unsystematic, and ultimately inconclusive body of theorizing on the relationship between globalization and governance,” and for that matter the realities of supranational institutions. Nation-states will have to confront transnational challenges and problems that spill over within and beyond their borders, and which would continue to bring about “a process of expanding supranational authority” (Kahler and Lake, 2004, p.411). The efforts to prevent these entities from serving the interests of a few, abuse the powers devolved to them or to act as agents of powerful states to the detriment of weak ones must be addressed with a deep sense of urgency.

As it is, the study of supranational institutions, their bureaucracies, their policy and decision making processes, their legitimacy and accountability and other dynamics remain to be marginalized in the study of Public Administration today, particularly in Asia. This is understandable because Asian scholars are understandably pre-occupied with the problems besieging their respective societies. But within the integument of these concerns are important questions and issues as to the impact of globalization and supranational institutions on their polities and the functioning of their governments in protecting and upholding the interests and welfare of their communities. As global and regional integration movements become more pronounced in the years to come, it would be incumbent for Public Administration and its scholars and researchers to equip themselves with more insights and understanding of global governance dynamics.

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Changing Political Order in Unchanging Societies – the Argument against Global Politics (4)

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Abstract

If we put United Kingdom, the United States of America and the Soviet Union on one side of the scale and Asia, Africa and Latin America on the other, it is as if, we are comparing apples and oranges, to use a metaphor. But such may well be the universal perception if one serious observer of trends or policy analyst may have to view comparative politics in so far as trying to arrive at a respectable understanding of this apparent cleavage between the developed economies or mature democracies as differentiated from the developing economies or emerging democracies in the overall global order. It is in this light that this paper aims to examine whether certain major policy streams of globalization marked by a form of strong even aggressive private sector in the context of collaborative governance are in fact acceptable as to be suitable in the Third World as it has always been in the First World. One of the overarching problem area this paper also aims to probe is precisely whether there is in fact and in force an 'invisible hand' in the case of an emerging ASEAN integration in which case it raises the most intriguing question on whether individual nation-states in this community are, themselves and by themselves, self-governed for the ends of stability, security, and prosperity. In the end, are nation-states in the Asia-Pacific opting for free and open societies and why like their Western-type counterpart?

Keywords: ASEAN Integration/ Global Politics/ ASEAN Community

Introduction

Commonly, we know of only seven continents in the world, namely – Asia, Africa, North America, South America, Antarctica, Europe, and Australia. And there are many types of government but we seem to generally know only of democracy, authoritarian, communist, and monarchy. Further, in terms of UN country grouping, we know the world regions to be constituted of the following, namely – Africa, Asia, Central America, Eastern Europe, European Union, Middle East, North America, Oceania, South America, and the Caribbean. And there are 196 countries, all in all, in the world although Taiwan is not considered an official country by many, thus reducing the number to 195.

Now, if there were to be any two things lacking in this simple world configuration, what would they be? It could not be the political order nor could it be the society itself, or are they? If we are to speak of a global community or even just a regional one, or perhaps speak of either a global or regional connectivity, are we not just involved in fiction? Countries, governments, nation-states, borders, regions, continents, societies, communities, economies, polities are perhaps terms that imply of a notion of connectivity per se although in its most contemporary use, the idea seems to refer only to the world-wide use of information technology, or the internet for short. But it certainly can go as far from that if we regard cross-border transportation infrastructure that links and connects countries together as equally one good form of connectivity.

Even as we see that a changing political order is taking place which is quite the same as saying that a changing economic order exerts either an upward or downward pressure, still some polities or economies just don't nudge, don't modernize, or don't adjust to new and emerging regional or global arrangement. It is not as if there are not some regional commons for one or global commons on the other. The notion of community or integration is more axiomatic of relations between and among 'state leaders and economic entities' (Kinsella, Russett and Starr, p. 321) that somehow aim to fare better through a concept of largeness that in this case refers to large markets. For instance, China has been a major economic force out of size and population.

In the interplay of a broad array of actors, soon we will from these streams feel the strength of collaborative governance in its most proximate reach and of global governance in its most ultimate limit on the other. In other words, societies may have to be described as either closed or open societies. The cleavage between the more developed and the developing economies provides choice, constraints, and challenges and this paper is an attempt at a critical discourse analysis of the subject of governance,

first at the collaborative plane and then at the global plane. Thus between perhaps ‘internal sovereignty and the advantages of maintaining counterbalancing authorities’ (Dahl 1968, p. 57), such conflict of the ‘need to change or of the need for stability’ according to Dahl has to be carefully weighed. It is in this context that this paper proceeds suffice to initially inform that the state is a global actor (Kinsella et al 2010).

What explains apparent cleavage?

There is perceived rivalry between multinational corporations and nation-states to the extent already seen by not few scholars as making sovereignty apparently irrelevant. This rivalry creates the apparent cleavage, call it disconnect, but which in reality is just a matter of viewpoint.

For instance, careful distinction may have to be made between transnational relations and international relations since there is no country in the world that stands alone but is part of the main. Understandably, those who see the cleavage and tend to estimate a gaping gap between mature democracies and those emerging democracies view the world in terms of ‘sovereign nation-states with autonomy and power’ (Kinsella et al, p. 347). Thus, ‘transnational relations’ in terms precisely of exchanges and relationships in this globalized era are dealt with distrust. They even constitute a social movement altogether.

When global regions are just three

North America, Europe and Pacific Asia according to Newman and Thornley in their book, *Planning World Cities – Globalization and Urban Politics* are the three global regions and in each region are specific attendant concerns. For instance, in the case of North America is a ‘changing economic context of cities’ arising from international trade. For another is the rise of immigration and social polarization.

In the case of Europe, EU developed environmental policy that required cities and states to meet certain quality standards. Lastly, in the case of Pacific Asia, what is seen is the decentralization of industrial activity from the developed world to countries with cheaper labor costs. We call this transnational movement of industrial activity as when Japan locates in other countries like China.

The lessons of global or regional trends as they play out from the relationships and interactions between and among societies or economies only show that no ‘one size fits all’ since their individual economic milestones are different. Newman & Thornley in fact, more correctly refer to them ‘as differences in history, state development and ideology’ (Newman & Thornley, p. 281).

The discipline in the ‘global future’

One of our major assumptions placed to test is on what extent the type of government is ‘enabled’, to use familiar disciplinary jargon, to counterbalance the ‘economic power of capitalism with the political power of democracy’ (Kobrak 2002, p. 406). No doubt there emerged two dominant intellectual responses to the process of globalization.

One school of thought argues that the ‘growth of transnational corporations, because of their state-indifferent nature’ and the ‘spread of global capitalism have made state irrelevant or even obsolescent (Farazmand citing Ball, 1967, Naisbitt, 1994, Ohmae, 1995). Worse, some think it is the end of public administration (citing Stever 1988).

Some believe that ‘suprastate governing agencies’ generated by global capitalism are ‘supplementing if not supplanting’ the territorial nation-states (Farazmand citing Picciotto 1989, Cox 1993, Korten 1995). Still others thought this ‘eroded the sense of community and urban power structure’ (Farazmand, p. 407).

Many scholars or theorists have assailed the many interesting consequences of globalization ranging from a ‘world order beyond nation-states’ to a ‘world government with global management’, Farazmand citing Reich, 1991 and Wilson, 1994, respectively. In his article, ‘Globalization and Public Administration’, Ali Farazmand assailed comprehensively the many effects on the discipline, the various perspectives, and the consequences of globalization but suffice to say that he does not believe

that it 'ends the state and therefore public administration' but on the other hand, it broadens public administration's scope of research (Farazmand, p.423).

What if government does not govern?

It was Samuel Huntington who probably came up with a convincing explanation on the possibility that there are governments that do not govern in his most famous work titled, *Political Order in Changing Societies*. More intriguingly, Huntington postulated of political decay resulting from a given political order.

Interestingly for our discussion, comparison is made between the United States, Great Britain, and the Soviet Union and the modernizing countries of Asia, Africa and Latin America that as we have said might come as apples compared to oranges.

More correctly, Huntington referred to the lower political systems as countries that lack many things. Quite aside from shortages in food, literacy, wealth, income, health and productivity is a far 'greater shortage – a shortage of political community and of effective, authoritative, and legitimate government' (Huntington, 1968, p. 2).

To get an even more concise understanding of the cleavage between the haves and the have-nots, Huntington quite correctly described the central issue of a perceptible economic gap actually broadening. "In politics as in economics the gap between developed political systems and underdeveloped political systems, between civic polities and corrupt polities, has broadened" in so far as Huntington is concerned. Moreover, he raised yet another intriguing point to the effect that in the 'twentieth century, the principal locus of political underdevelopment, like that of economic underdevelopment, tends to be the modernizing countries of Asia, Africa, and Latin America.

Suitable collaborative governance

Cast in the future, offhand, it is true that collaborative governance has its 'promise and problems', 'payoffs and perils', and so therefore, we must get 'collaboration right' (Donahue and Zeckhauser, 2011).

Frank A. and Denie S. Weil define as such that the "essence of collaborative governance is a new level of social/political engagement between and among the several sectors of society that constitutes a more effective way to address many of modern societies' needs beyond anything that the several sectors have heretofore been able to achieve on their own. Our sense of the increase of this phenomenon led us to believe this subject needed to be systematically explored" (Donahue, 2004).

With this definition, clearly, collaborative governance is a social and political phenomenon that crystallizes the need of engagement to attain anything of public value requires several actors with what Donahue calls 'distributed' capacity' (i.e. financial resources, skilled personnel, physical assets, managerial capabilities, information, trust and legitimacy). As such, this engagement of non-government actors in the 'pursuit of public missions' according to Donahue becomes more important for the following reasons, namely:

1. Large part of world's population lives in areas where the formal state is weak
2. Widespread loss of confidence in the mid-20th-century version of the centralized state
3. Growing fraction of collective tasks in a complex, interconnected, information-dense world – knit together and energized by powerful market forces – simply cannot be accomplished by government acting alone

Just to get ourselves a working view and a firm handle on the new conception, theory and practice of collaborative governance, suffice to remember that Donahue suggests that when a government is responsible for a mission which relies on external capacity, as had already been defined, then there are many ways to engage that capacity or 'outside reservoirs'.

One is requiring entities outside government to play their parts through:

- Mandates,
- Regulations
- Other means of imposing obligations

Furthermore, government could induce them to participate through:

- Contracts
- Grants
- Tax incentives
- Other means

Lastly, citing the Weil Program on Collaborative Governance, Donahue suggests that collaboration entails that 'firms, non-profit organizations, and other external agents work to advance a collective goal not because they are forced to do so or paid to do so, but because participation advances their own interests as well'.

It must be Donahue who has substantively written on the subject of collaborative governance and thus his conceptual blueprint could be used as a model for governments.

Lessons from the Philippine experience

Two different perspectives explain the case of the Philippines, one from the neo-classical economists and the state-centered historical institutionalists, the latter accommodates rent seeking in light of the state capacity to orient or dis-orient policy in this direction if only to protect rent seekers. On the other hand, the neo-classical economists regard only development outside of these skirts.

Not few scholars already assailed the Philippines as owner of a 'laggard economy' owing to it being largely a weak state and such account reconstructs from its political history. The dominant consequences were the economic collapse observed in mid 80s that signaled the end of the authoritarian rule of then Marcos rather than on the 90s which has even shown the country's resilience to the Asian regional crunch or which means that the impact was not as dramatic as may have been expected as it did elsewhere.

Jane Hutchison in her article, 'Crisis and Change in the Philippines' identified cronyism in government circles as the culprit that explains the development plight of the country as short of success but nonetheless could have showed correct efforts to liberalize its economy which means in effect that the 'longer-term political features' (Hutchison, 2001, p.42) of the capitalist development in the Philippines probably sit well with the obtaining political regime.

Were indeed 'crony capitalism' and its development over the course of the country's political life, then it seems that policy must be reoriented so that the government does not 'misallocate resources to areas with inappropriate and inefficient economic activity' (Hutchison citing Ranis, 1974, p.43). Thus the neo-classical economists criticized rent-seeking as 'antithetical to the operation of market forces and for that matter to the development of an internationally competitive economy'.

Sadly, the country's business governance disables itself to steer the course of national economic development and this precisely bring it constantly subject to the 'particularistic demands of a wealthy elite or oligarchy' (Hutchison, p.44). And further, by way of conclusion, it is therefore prescribed that the Philippines takes advantage of the end of the authoritarian rule as a chance to shape approaches toward far-reaching market reforms on the one hand and a challenge toward bureaucratic reform on how well it can discard political patronage or rent-seeking as a constant evil in its political affairs.

Lessons from the Thailand experience

Understandably, despite conscious collective reluctance to attribute to capitalism the forces that 'dragged the society from its agricultural past and plunged it into its industrial present' (Hewison 2001), this is said to be no longer so today. So now, capitalism's ascendancy 'incorporated Thailand as part of a world system' (Hewison, p.71).

Thus, analysts identified certain general theoretical approaches responsible for this country's boom and bust such as modernization theory for Thailand's society and politics; dependency and neo-dependency theories that regarded the country's business and state elites as in fact 'tools of international corporations, assisting the exploitation of their own country' (Hewison citing Surthy, 1990, p. 73); and also along neo-classical economic as well as historical institutionalist approaches which quite explained the case of the Philippines. In the case of Thailand, economic growth was the 'central pillar of Thailand's public policy' (p.74). Lastly, the roles of only state and market helped Thailand veer attention away from non-state and non-market institutions.

There is yet another approach called the social conflict perspective or conflict theory. It is said that Thailand's growth and development is but 'part of a capitalist transformation that has irreversibly altered the patterns of social, economic, and political relations' (Hewison, p.77). All told, capitalism blest Thailand the 'rise and diversification of competing capitalist groups together with increased attention from international capital' according to Hewison which gave Thailand the longer end of the bargain.

Points of light – South-East Asia

Let us devise a conceptual map to assail South-East Asia in terms precisely of the various approaches or theories advanced in order to better understand their cycles of boom and bust or recovery as Rodan, Hewison, and Robison aptly outlined in their book, *The Political Economy of South-East Asia – Conflicts, Crises, and Change*.

Certainly, geopolitics is geo-economics and in many ways explained that if the former is changed so is the latter changing and vice versa. It is possible however that when neither one changes, both do not change. Or when both change, neither one is unchanging.

According to these scholars, the following are the approaches or theories that best capture the 'different varieties of political economy' (Rodan, Hewison and Robison, 2001) as regard development in the region or what draws the relationship between politics and economics this in spite of the 1997-98 Asian crisis and its aftermath. Broadly these are as follows and not few scholars of the discipline are already familiar with. Let us gloss over the Table below:

Approaches/Theories	Assumptions/Pathways
Neo-classical political economy	the assumption is that 'markets are naturally and universally efficient mechanisms, driven by their own internal laws, and the rational choices of individuals who seem to maximize their gains it is on this basis that the World Bank and International Monetary Fund emphasized development strategies based on economic deregulation, privatization, and fiscal austerity – the so-called 'Washington Consensus'
Historical institutionalism	Choices, interests, and preferences are shaped by collective organizations and institutions that carry their own histories and rules, laws, norms, and ideas These theorists make their calculations within specific historical pathways defined by previous layers of institutions embedded in structures of social power and culture (Zysman 1994, as cited)
Social conflict theory	Markets and the institutions that define them are forged within wider and system-level processes of social and political conflict.

	They focus analytical attention on the different but competing interests that structure the development, spread, and enforcement of capitalist markets and thus policy and institutional transformation take place with broader patterns of social and political power
Modernization theory	Theorists asserted that the former colonies could replicate the original transition of Western Europe Traditional societies were seen as 'pre-state, pre-rational, and pre-industrial (Larrain 1989, as cited). To modernize, traditional societies needed to adopt the same organizational structures and social and political values of the West. If unkindly, this Huntington approach was the recognition of institutions and the state as central actors in transforming dysfunctional systems
Dependency theory	Shifted focus of analysis to various global factors that conditioned development and the nature of political and economic regimes in developing countries, arguing that development of the already developed countries depended on the underdevelopment of poor countries Poor countries caught in a web of international political and economic relationships stayed poor because of the exploitative relationship between them and the already developed countries They argued that the economic surplus of poor countries was lost because the structures considered important by modernization theories – foreign investment through transnational corporations, foreign aid, international loans, and international trade regimes – were the structures responsible for sucking the surplus from underdeveloped countries.

The theorists tend to argue along their disciplinary bias while policymakers behave similarly well however parochially. Be that as it may, some economies may just be simply following correct economic policies or that certain policies actually adopt to global market forces. Either way they go carry truth and consequences. For example, while the role of the state is acknowledged in facilitating globalization, in turn, 'globalization is a threat to weak or capriciously governed states' (World Bank, 1997, as cited, p.12).

By and large, better understanding of choices, constraints and challenges with these theoretical platforms especially in regard to countries in South-East Asia.

Governance and the limits of government

Governance has been roughly described as "directed influence of social processes" (Kickert, Klijn and Koppenjan, 1997, p. 2). Accordingly therefore, all actors are involved in governance if only because government does not perform all the governing itself. This has always been said that the government does not stand alone, by itself in that Platonic unity. Thus, 'public policy of any significance is the result of interactions between public and private actors' (Kickert et al).

Now as to the apparent limits of government, it is interesting to mention the Reagan administration in the US and Thatcher regime in the United Kingdom, both are said to have been

inspired by a ‘new right’ ideology which ‘proclaimed a retreat of the public sector in favor of the private sector and the introduction of a more businesslike ‘managerialism’ in government in order to lower costs and function more effectively’ (Kickert et al, p.4). Incidentally, these are the same statements being resonated by those who let the doors open to collaboration with the private sector or otherwise partnering agreement or contractual arrangement with them as practice by not few governments or nation-states in the name of development.

Is call for ‘minimal state’ path-right?

As earlier already mentioned, the neoclassical approach has become the dominant feature of development economics with its ‘influential intellectual role in interpreting the state and the market as rival forms of resource allocation’ (Ahrens 2002 citing Dutt et al, 1994, p. 23). And this neoclassical reasoning’s set of reform measures includes the following policy imperatives (Ahrens, p. 23), namely:

- Stabilization (balance of payment)
- Letting markets work (free markets to determine price)
- Getting prices right (prices reflect scarcity value)
- Privatization (private property rights to have beneficial effects on economic competition)
- Budget rationalization (government’s reduced role in economic and social development)
- Integrating the domestic economy into the world economy (exports to become engines of growth and the disciplining role of international markets)
- Getting institutions right (government equipped to carry out new roles)

The above-mentioned reforms are then policy prescriptions that mainstream development economists generally subscribe akin to emphasis on ‘shrinking the scope and size of government and on trusting the efficiency of market processes and private sector activities’ essential to trigger growth and development (Ahrens, p.24).

Likewise in sum, the ‘elements of the Washington Consensus’ (Williamson 1990 & 1994) as cited by Ahrens in his book are the following, namely:

Elements of the ‘Washington Consensus’
Fiscal discipline
Redirection of public expenditure priorities towards health, education, and infrastructure
Tax reform
Unified/competitive exchange rates
Secure property rights
Deregulation
Trade liberalization
Privatization
Promoting FDI (foreign direct investment)
Financial liberalization

Source: Williamson 1990 & 1994 (as cited)

This is touched on this discussion simply because of the acknowledged importance of the prescriptions as a universal model for policy reform which others even refer to as the ‘new orthodoxy’ leaving behind a ‘minimal state’, refrained from intervening with the economy. This understanding sets in motion the choice governments have to make for their own development agenda. There is of course another debate on a ‘Post-Washington Consensus’ which undeniably carries its own serious problems and challenges (Ahrens. 371) but suffice that a cursory view has been undertaken.

The global state?

The now emerging modern national-international social thought and global theory viewed from economic perspective are epistemological ways to understand the state and society in the emerging global era.

There are those who advance the concepts that there is an ‘unfinished global-democratic revolution and the global-Western state’. Thus Martin Shaw in his book, Theory of the Global State focused on this debate.

It has been quite easily argued that ‘if power is understood in global terms, clearly the function of the nation-state is altered. And on this alone, different views have been advanced. For liberal and free-market globalizers, the ‘perceived undermining of national state power has been not only inescapable but a good thing’ (Shaw, 2000, p. 260). On the other hand, radical and socialist critics would resist globalization as a ‘phenomenon of transnational corporate power’.

In the whole streams of discussion on governance and the globalizing world, Nye and Donahue took to the more moderate view or conception of such trends and their impact on many facets of political life ranging from the economy, to national and international security, to social and cultural, history, communication, public administration, incentives of legal transplantation, multisectoral relations and legitimacy.

Throughout the centuries

According to Dani Rodrik, ‘if it was the nineteenth century that unleashed capitalism in its full force, it was the twentieth century that tamed it and boosted its productivity by supplying the institutional underpinnings of market-based economies’ (Rodrik, 2000, p. 347).

It is of interest how aptly Rodrik attributed the innovations that firmly took root in rich countries during the second half of the century and these are that – central banks regulate credit and supply of liquidity, fiscal policies stabilize aggregate demand, antitrust and regulatory authorities to combat fraud and anticompetitive behavior, social insurance to reduce lifetime risk, and political democracy to make institutions accountable to the citizenry.

Furthermore, the dilemma of the twenty-first century is traced by Rodrik to the fact that ‘markets are striving to become global while the institutions needed to support them remain by and large national’ (Rodrik, p. 348). And two important arguments worthy of mention result from these, namely:

1. The existence of jurisdictional boundaries, drawn largely along national lines restricts economic integration, inhibits efficiency;
2. The desire by producers and investors to go global weakens the institutional base of national economies, inhibits equity and legitimacy.

Thus, as a way out of this noose or dilemma, Rodrik’s suggestion is to ‘envisage a world in which politics is as global as economics. This is akin to Samuel Huntington having likewise prescribed that politics be studied like economics is being studied and for that matter that political development should mimic economic development.

Before we close this part of the discussion, let us further the final suggestion of Rodrik about a sound intermediate architecture (Rodrik, p. 348) that would then reconstitute the ‘compromise of embedded liberalism’ for the realities of the early twenty-first century economy’ (p. 349).

Consensus and change

A quick glance at American politics reveals that ‘consensus is a prerequisite of a democracy’ (McClosky, 1968). However, how true enough that ‘the minds of all citizens are rallied and held together by certain predominant ideas ... when a great number of men consider a great number of things from the same aspect, when they hold the same opinions upon many subjects, and when the same occurrences suggest the same thoughts and impressions to their minds’ (McClosky citing Tocqueville, 1962).

In other words, in the face of a changing political order, given regimes that sometimes even have to resist and chose to be unchanged, it is of some doubtful validity if consensus in the very sense just forwarded would mean ‘a state of agreement about fundamental values’ in that Tocquevillean sense. Be that as it may, it should be some care to identify if such values come from what McClosky refers to as ‘aristocratic strain whose members are set off from the mass by their political influence, their attention to public affairs, and their active role as society’s policy-makers’ (McClosky, p. 273).

As regard analyzing economic and political change against the backdrop of what consensus may mean, Hagen did an illuminating research of Asian and African countries, Latin American countries by the type of political structure and rank in economic development. And political structure is divided into just three, namely: competitive, semi-competitive and authoritarian.

Hagen's conclusion holds to the view of the interrelatedness of social, cultural, political, and technical-economic change, the latter concept actually referring to the impact, if any, of assistance. In other words, projects that seem 'technically and economically sound to Americans' simply do not work well in others (Hagen, 1968, p. 183).

It is worthwhile further examining the categorization Hagen made in his conception of the competitiveness of political structure. Let us take them up briefly as follows:

- A **competitive social structure** – one in which interests of different groups in the society obtain a voice in political decisions, the decision being a compromise of a victory for some group or groups over others;
- A **semi-competitive structure** – one in which among a sector of the population there is competitive political activity but another important sector had no voice
- An **authoritarian structure** – one in which there is a hierarchy of power, with political decisions coming from the top

Interestingly, from this rough and subjective analysis, Hagen then went on to come up with eleven indexes of economic development which may be instructive for use as a tentative platform for those trying to explain change and consensus as two in an interplay of outcomes. For purpose of future discussion, let us just name them, as follows:

Welfare	GNP per person in 1957 Doctors per 1,000 persons in about 1956
Communications	Vehicles per 10,000 persons in about 1958 Telephones per 10,000 in about 1958 Radios per 1,000 persons in about 1957 Newspaper circulation per 1,000 persons in about 1956
Industrialization	Energy consumption per person in about 1958 Per cent of labor force employed outside agriculture and service sectors, latest census year Per cent of population in cities over 100,000 population in about 1958 Per cent of population literate at a date within or close to 1950-1960 Ratio of enrolment in primary schools to population of school age

One important observation is that the given data are dated but operationally instructive to comprehend the spectrum upon which certain indexes are based and the same can still be applied in more contemporary times.

The relevant conclusion at least that is good to point out here is that 'economic growth therefore did not have to be implanted into a non-European culture'. This only means that there is a whole array of other influencing factors, values even that bear upon both political and economic development.

Is there a new world order?

To give this paper a fresh and most contemporary flavor, let us now take the conceptual crawl to understanding whether in fact there is so-called "Europe of the United States" or rather the "United States of Europe" which simply means that in fact, either the United Kingdom of Great Britain, or the United States of America, or the Union of Soviet Republics are that powerful politically and economically to become dominant actor in the global scene.

The 'EU, with its 28 member states, over 500 million people and nearly one quarter of the global wealth, has been one of the key actors in world politics' (Oguzlu, 2014) and the formation of this particular model on the European continent has been made possible to a significant extent by the lessons that the founding fathers of the EU integration. These are, according to Oguzlu, the following:

1. For peace to come to Europe major European states, most notably Germany and France, need to increase the degree of interdependence among each other so that they define their national interests from a common European perspective.
2. The EU integration process cannot be put into context without mentioning the role of US support to EU integration process which ensured that the communist threat by the Soviet Union in the east would be contained.
3. European nations need to act together if they want to have a credible influence in global economic, political and security affairs.
4. EU integration process is built on the understanding that the legitimacy and credibility of the EU's rules-based internal ordering does to a significant extent depend on the success of the EU to project this onto the world. Adherence to international law and rule making sets EU apart from other global powers.
5. EU has always acted as a transformative power since its inception and the same emanates from its attractiveness in the eyes of potential members. Its power of attraction stems from its huge economic capabilities as well as its ability to set inter-subjectively shared standards in interstate relations. Because many countries lying on its periphery want to join the EU out of either instrumental or legitimacy concerns, the EU is in a position to 'dictate' to them its norms and values. Trans-formation of its periphery has always been one of the security strategies that the EU has so far employed.

In the case of the ASEAN community or connectivity which are the organizing principles for an envisioned integration in the region amongst the ten nation-states, it is logically indispensable that it mimics the EU model under the various pillars briefly raised by Oguzlu in his recent article.

Summary

The ASEAN Economic Community is about taking place by 2015. Each nation-state somehow remains self-governed, its sovereignty in place – jurisdictionally as it is territorially. The relationships of the ten nation-states of the regional membership share an array of commonalities and even differences to some extent but an ordering toward a common pathway or approach is deemed shared by all and for purpose.

The ASEAN community itself mimics that of the EU model which is composed of some 28 member states over a 500 million population and owns a quarter of the global wealth. There are foundational principles to include norms of its integration process and the values its inhabitants embrace. The same would then hold true with the one society concept of the AEC 2015, so-called.

The notion of global politics assailed in this paper is much more diffused. And there are to be choices, constraints and challenges to be faced. And there seems to be an 'invisible hand' imposing a change in the political order over societies that seem to be more unchanging with its grip on more traditional histories, democracies and economies.

This paper is by and large a critical discourse analysis and an attempt to trace the direction the future dynamics in government and business are taking beyond their boundaries. The new emerging cleavage is set between those who defend the role of global politics and those who may have to fight them. Policy and politics are then found in the same continuum subject of reflection by scholars in their home disciplines.

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ASEAN integration: A Mover in the Sectoral Cultural Governance in the Philippines

(5)

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Abstract

This heuristic-empirical paper situates in the cultural governance in the Philippines the cultural and socio-economic impact of the ASEAN Integration (1) on the educational system of the Philippines (with a particular attention to the new General Education (GE) Program and Language Curriculum development at the tertiary level) as it is affected by the country's compliance with the ASEAN Quality Assurance Framework for Higher Education (AQAFHE); and (2) on the socio-economic status of educators at the tertiary level as they are threatened to lose their employment with the implementation of the new General Education Curriculum developed by the Commission on Higher Education (CHED) for implementation in 2018. The effects of the ASEAN Integration on Higher Education Institutions (HEIs) along with the corresponding challenges are sustained by the Philippine education system with the aid of the effective cultural governance of the National Commission for Culture and the Arts (NCCA). In the process, what emerges is a unique form of cultural governance with its subtle intrusion in the heart of the Philippine Education System as brought about by the ASEAN Integration.

Keywords: Cultural Governance / Culture/ Governance/ Education/ Philippines

The ASEAN Integration is a prime mover in the emergence in the Philippines of a multidimensional concept of Cultural Governance emanating from its 'sectoral dimension or issue-orientation' (Schmitt, 2009, p. 104). In this emerging typology, the specific components of the educational system--the General Education (GE) Program and the Language Curriculum of Higher Education Institutions (HEIs)—are the 'objects of governance' (Schmitt, 2009a, p. 106). This emerging concept goes beyond the government's management of cultural structures and institutions to include in its scope the facilitation by the National Commission for Culture and the Arts (a National Government Agency [NGA]) of a culture-based education in the tertiary educational institutions as a part of the education reforms for implementation in compliance with the ASEAN Quality Assurance Framework (AQAF).

The 'sectoral dimension or the issue orientation of governance, as expressed in terms of ...cultural governance' (Schmitt, 2009, p.104) is the discourse take-off. There is a need to introspect in analyzing this extended concept of cultural governance given the peculiar character of the Philippine education sector that ultimately determines the direction of the education reforms to be carried out to respond to the AQAF.

The Philippines has yet to establish the most basic requirement of adopting the K-12 educational system; this is done within the backdrop of the all the other education sectors in Asia long using K-12. There likewise exists the additional burden of confronting the consequential education reforms at the tertiary level. These reforms are changes in the General Education (GE) Framework and the Language Curriculum. Thus, while the neighboring ASEAN countries have taken steps from the present level of their educational system towards the demands of the AQAF, the Philippines has yet to take a step inward to facilitate the shift to K-12; then forward to meet the challenges of the economic phenomenon that is ASEAN Integration, one cultural governance actor that defines the dimension of scale of the issue in hand. This discourse is one with the opinion by a group of academicians that the Philippines has to focus on its 'internal integration'¹; but this discourse is to further argue that the focus on 'internal integration' has to be done simultaneously with the nation's preparation for the ASEAN Integration because, whether or not the urgency of the matter is acknowledged, the ASEAN Integration is bound to happen in 2015.

¹ For the full article, refer to Tadem, E., Guillermo, R., Raquiza, M.V., & del Castillo, N. (2014, September 7). Can 'elite scientists' save PH? *Philippine Daily Inquirer*, p. A16.

Although there is a view pointing to the external factors, such as UNESCO Education for All Plan of Action,² as reasons for the education reforms, the present discourse adds to the list the major mover—the ASEAN Integration. The Philippine Qualifications Framework (PQF) is the link between the ASEAN Integration and the Philippine education reforms. The future Philippine workforce can only competitively participate in the economic and socio-cultural activities in the ASEAN if it meets the basic requirements of the AQAF. And as such, the first step the Government takes is to adopt the K-12 educational system. The second is to comply with the requirements of the ASEAN Quality Assurance Framework for Higher Education (AQAFHE). These are necessary steps to ensure that Filipino students now would have the competencies that will enable them to competitively participate in student exchange programs in the ASEAN come 2015. This step is valuable even from the perspective of the ASEAN nations since the movement towards harmonization among them will be more effectively facilitated with an in-depth understanding of the internal concerns of each of the ASEAN-member nations.

The Inclusion of the Education Sector in Cultural Governance

Cultural Governance is understood in this paper as the ‘government’s direct or indirect involvement in the promotion and administration of programs of cultural organizations...’ (Moon, 2001, p. 432). The inclusion of the education sector in Cultural Governance is justified by the ‘scope of cultural programs’ such as the ‘fine arts (concert halls, theaters, galleries, and art museums), libraries, historical museums, gardens, arboretums, and educational institutions’ as explained by Frost-Kumpf. (cited in Moon, 2001, p.432)

In the case of the education reforms in the Philippines as consequences of the ASEAN Integration, the Philippine Government through its Commission on Higher Education (CHED) has to be directly involved in assisting the Higher Education Institutions (HEIs) in establishing the infrastructure (concrete or otherwise) necessary for the participation in the ASEAN Integration. Thus, the government must engage in cultural governance.

The Philippine Response to the ASEAN Integration’s Call for Quality Assurance in Education

According to Zita Mohd Fahmi (n.d.), the ASEAN Quality Assurance Network (AQAN) Executive Secretary, the AQAFHE seeks ‘to promote regional harmonization in higher education’ and ‘to develop regional identities which countries could voluntarily benchmark and align their own quality assurance system of higher education.’

As a response to the call for quality assurance in education, President Benigno Aquino III signed Executive Order No. 83 dated October 2012 creating ‘THE PHILIPPINE QUALIFICATIONS FRAMEWORK (PQF). The PQF identifies the ‘levels of educational qualifications’ and sets the ‘standards for qualification outcomes’. ‘PQF covers basic education, technical and vocational education, and higher education.’ Its major objective is the ‘alignment [of local educational standards] with international qualifications frameworks’ in education. (<http://www.rexpublishing.com.ph/>). As explained by CHED,

Quality Assurance is about ensuring that there are mechanisms, procedures and processes in place to ensure that the desired quality, however defined and measured, is delivered. (Church as cited in <http://www.ched.gov.ph/>, p.14)

Discussion

The focus of the analysis is the actual effects of the ASEAN integration on specific sectoral dynamics in local contexts. It is through this that all the members of the ASEAN would be able to strategize in preparing for the Integration. In the Philippines, there is the acknowledgement that the paradigm shift to an outcomes-based education has to be carried out to meet the demands of the AQAFHE. With this, analyzing the sectoral dynamics in the Philippine education system within the broader context of the ASEAN Integration becomes imperative. The present discourse aims:

² Fr. Joel E. Tabora, SJ in his powerpoint presentation in <http://www.ceap.org.ph> identifies five reasons for the education reform in the Philippines. The AQAF is not included in the list.

1. to outline the effects of the ASEAN Integration on the GE Framework and Curriculum at the level of tertiary education in the Philippines;
2. to identify the challenges corresponding to the effects of the ASEAN Integration on the Language Curriculum at the tertiary level;
3. to examine the role of Cultural Governance in responding to the challenges of the ASEAN Integration to the Education sector;
4. to highlight the anticipatory approach of the NCCA as an NGA to the ASEAN Integration challenges to the tertiary Language Curriculum via the preparation of the Culture-based syllabi for the four of the eight new General Education Core Courses to be implemented by CHED in 2018;
5. to analyze the phenomenon of Language Curriculum change as a socio-economic issue affecting the employment of Filipino educators in the Philippines;

To be utilized in this heuristic paper is Thomas Schmitt's general framework for the analysis of fields of governance from the perspective of the social sciences. The framework, which is within the Constructivism Paradigm, enumerates 12 analytical levels in the process of analyzing Cultural Governance. These levels are matched with corresponding selected aspects (Table 1).

The study modifies the scope of Cultural Governance to include Cultural Education as one of its components. 'The scope of cultural programs ...is very wide: supporting the fine arts...and educational institutions' (Frost-Kumpf as cited in Moon, 2001, p. 433). 'Cultural education is seen to be an instrument in preserving and promoting Philippine Culture, and thus, in the process becomes included in the scope of Cultural Governance. The education sector is then included in the scope of Cultural Governance via Cultural Education. The Open Systems Approach ("Open-system Models", n.d.), on the other hand, is used in analyzing the cause and effect relationship between the ASEAN Integration and the education sector reforms in the Philippines.

The analysis begins with the illustration of how the ASEAN Integration has prompted the reform in the education sector in the Philippines. What follows is an empirical analysis of the effects of the ASEAN Integration on and challenges to the tertiary level Language Curriculum via the writer's experience as the developer of the GE Core course 'Kultural na Malayuning Komunikasyon' or 'Cultural Purposive Communication.'³ This part of the analysis is highly dependent on ' "thick" description' ⁴ (Geertz as cited in Schmitt, 2009, p. 107). The writer is a participant-observer given her role as a writeshop facilitator during the nationwide writeshops conducted by the NCCA for Filipino instructors. The insights are supported by the actual encounters of the writer with the Filipino educators during the nationwide retooling writeshops organized by the NCCA for the educators to prepare them for the changes in the language curriculum; and by her direct interaction with the project director – Mr. Joseph Cristobal, the proponent of the project—the National Artist for Literature Virgilio Almario, and her co-trainers. The third part of the analysis focuses on the role of Cultural Governance in the Philippines in confronting the challenges to the education sector using Schmitt's framework. The same framework would be used in categorizing and analyzing the phenomenon of education reforms as a socio-economic issue.

Only three NGAs are to be mentioned in the study: Komisyon ng Wikang Filipino (KWF)—the home base of the National Artist Virgilio Almario, the NCCA- Philippine Cultural Education Program (PCEP), and CHED. The term 'stakeholders' is used to refer only to the Filipino and GE educators. The economic aspect focuses only on the issue of employment and unemployment of the Filipino faculty.

³ *The writer is a part of the team of the National Commission for Culture and the Arts – Philippine Cultural Education Program Task Force—that conducts national retooling writeshops for Filipino instructors to prepare them for the new General Education Program in the Philippines, a major education reform brought about by the ASEAN Quality Assurance Framework for Higher Education (AQAFHE). The preparation takes the form of theoretical and pedagogical reorientation of the instructors.*

⁴ *According to Jeffrey C. Alexander in his article 'Clifford Geertz and the Strong Program: The Human Sciences and Cultural Sociology' retrieved from <http://cus.sagepub.com>, 'the description is thick, in Geertz's sense, when it is analytically informed and culturally contextualized. It is thick because meanings are "always already there" before any observation or social scientific account. The parts, in other words, are always, even if unconsciously, seen against previously existing wholes.'*

The Effects of the ASEAN Integration on the Educational Sector in the Philippines

The ASEAN Integration, specifically the AQAFHE, is the external environment that has radically affected the Philippine education system at all levels: primary, secondary, and tertiary. The planned changes in the GE Framework and Curriculum, and in the Language Curriculum of HEIs are prompted by the required quality assurance in education. These changes are then processed as reforms in the GE and Language Curricula using as guidelines provisions in the PQF and CHED Memo 20 or the General Education Curriculum: Holistic Understandings, Intellectual and Civic Competencies.

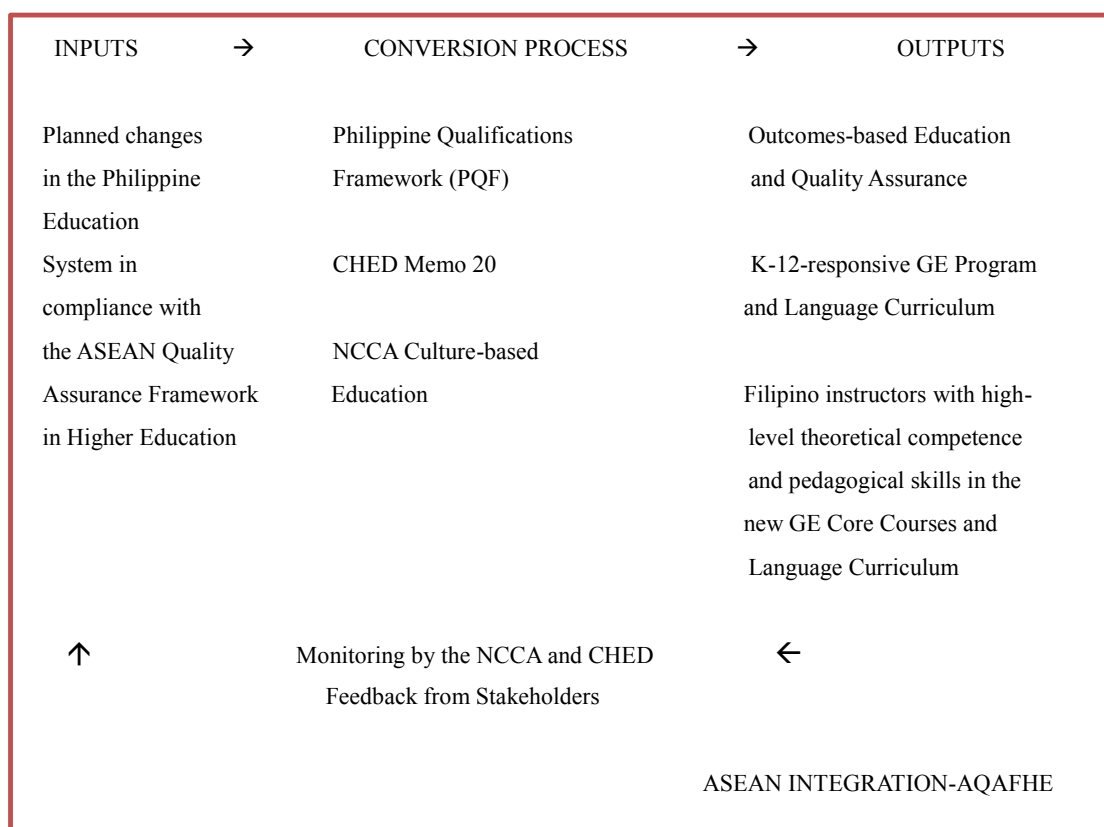


Figure 1. The effects of the ASEAN Integration on the educational sector in the Philippines

The outputs are K-12-responsive GE Program and Language Curriculum. It is 'K-12-responsive' and not 'K-12 compliant' because at the tertiary level, what is expected is a change in the GE framework and Language Curriculum given the changes that are effected at the secondary level.

The Effects of the ASEAN Integration on and Its Challenges to the General Education Framework at the Tertiary Level

The AQAFHE has resulted in the paradigm shift from an 'input-based' to an 'outcomes-based' quality assurance in Philippine education. As explained by CHED:

'Outcomes-based QA [Quality Assurance] at the program level means looking at the level at which the inputs, methods, and execution produce the desired learning competencies for the graduates of that program as determined by the Technical Committees/Technical Panels and as measured by the appropriate assessments.' (<http://www.ched.gov.ph/>)

The second effect has to do with the changes in the number of required GE units. There is the 27-unit reduction in the total number of GE units for students majoring in the Humanities and the Social Sciences from 63 to 36 units. In the case of students majoring in Science, Engineering, and Mathematics, there is a 15-unit reduction from 51 to 36 units (Licuanan, n.d.).

The third effect is the deletion of existing GE courses viewed as redundant courses given the modifications in the secondary level curriculum within the K-12 educational system. Along with this come the consequent changes in the approach to pedagogy, with the ‘outcomes-based education’ requiring an individualized, student-centered learning.

The challenges that beset the Philippine Education System can be inferred from the effects earlier enumerated. With the deletion of the existing GE courses, there is a need to design new GE Core Courses based on the GE Framework created by CHED. This is the challenge that the NCCA has confronted given the request of the KWF, the project planning and implementation of which is taken charge of by PCEP. The first challenge is directly related to the second, that of creating syllabi for new GE Core Courses. The third, the most difficult and complex, is the theoretical and pedagogical reorientation of GE faculty members who are expected to teach the new GE Core Courses, the topics of which are not within their fields of specialization.

The Examination of the Role of Cultural Governance in Responding to the Challenges

The NCCA takes an anticipatory approach to the challenges posed by the ASEAN Integration to the tertiary Language Curriculum via the preparation of the Culture-based syllabi for the four of the eight new GE Core Courses to be implemented by CHED in 2018. The study focuses on the NCCA because it is the NGA that has consistently addressed the challenges earlier identified. The NCCA represents the structural dimension of Cultural Governance in the Philippine experience. This is in contrast with CHED, as a regulatory body, that takes on the function of prescribing the new GE Framework.

The NCCA-PCEP confronts the challenges by adding the ‘Culture-based Approach’ to the CHED ‘Outcomes-based Curriculum’ requisite. This is consistent with the mandate of the NCCA to preserve, develop, and promote Philippine arts and culture (<http://www.ncca.gov.ph/>). Four culture-based syllabi have been developed (in Filipino) for the four of the eight GE Core courses prescribed by CHED: (1) Understanding the Self by Prof. Arvin Villalon, (2) The Contemporary World by Prof. Tim Dacanay, (3) Purposive Communication by Assistant Professor Gina Salazar, and (4) The Image of the Filipino in the Arts by Dr. Steven Fernandez.

The focus of the study is the cultural governance of the NCCA; but in the process, a relational analysis is made on the dynamics between the NCCA and CHED in the context of the role of the NGAs in the cultural governance of and for education reforms in the country as a consequence of the ASEAN Integration, an externality in Philippine education reforms.

Object of governance (sectoral dimension, issue orientation; in constructivist terms: framing)	NCCA Cultural Governance GE Framework and Language Curriculum
Involved/affected actors/subjects and their actions/practices and perceptions	NCCA, CHED, Filipino Instructors
Exogenous processes/developments	AQAFHE
Governance structure and modes of governance	NCCA and CHED Top-down Bottom-up
Leading ideas/concepts or discourses associated with the fields of governance	A conundrum of conflictive perceptions
Governance culture	Uncertainty Mistrust
Governance processes	Negotiation and steering

Table 1 Analysis of cultural governance using Thomas Schmitt’s general framework for the analysis of fields of governance

The cultural governance of the NCCA is the object of governance. The Philippine experience extends the scope of cultural governance to include the HEI Filipino and GE instructors. The issue is the pervasive perception of the stakeholders that they will never be able to adjust to the new GE Program because they lack competencies required in teaching the new GE Core Courses given that their fields of specialization are not the areas from where the new GE courses are shaped. With the condition that the new GE Core Courses could be taught either in Filipino or English (CHED Memo 20, 2013), they fear that the school administrators will prefer the English version of each of the courses over the Filipino version. They think that with this, they are bound to lose their employment once the new GE program is implemented in 2018. They believe that the Philippine Government is not doing enough.

The apprehension may have been borne out of the reality that there are no organized collective actors in so far as the Government is concerned. While there may be complementation in the actions of the NCCA and CHED, as the NCCA has presented to CHED the syllabi it has developed even before using them in the National Retooling Writeshops, there is no systematic coordination between the two NGAs. Each NGA acts on its own. CHED steers the universities and their administrators to the new GE Framework. The NCCA steers the Filipino instructors towards theoretical competencies and pedagogical skills in the four new GE Core Courses.

The AQAFHE is the exogenous development that has prompted the ongoing education reforms. The effects of these developments are in-depth, having been internalized down to the core of the system that a paradigm shift in education, the adoption of a new educational system, and a complete overhaul of the GE Program at the tertiary level have to take place all at once.

The governance structure of the NCCA and CHED in the context of the education reform is highly top-down. As NGAs, they exercise their respective mandates by planning at their level and then implementing such plans at the level of the HEIs. But the dynamics between the NCCA, CHED, and the stakeholders have shown that in terms of the mode of governance, the two NGAs operate bottom-up by steering by democracy or equal consultations. According to the National Artist for Literature Virgilio Almario, in his speech before the participants in the '2014 National Retooling and Writeshop on Culture-based CHED General Education Core Curriculum for Filipino Subject Instructors' in Cagayan de Oro on August 26, 2014, the KWF has conducted consultations with stakeholders before the conduct of nationwide retooling writeshops. CHED, for its part, conducted 'zonal public consultations'. The suggestions of stakeholders during those consultations have been appended and incorporated in the revisions of the new GE Core Courses (CMO 20, 2013).

There emerges a conundrum of conflictive perceptions. The first is between the Filipino instructors and CHED. The instructors view the situation to be a threat to their employment. There exists a perception of uncertainty of a sustained employment among them. The second is between the NCCA and a few stakeholders. As voiced out by participants during the Cagayan de Oro Retooling Writeshop, there is a perception of 'false hope' associated with the efforts of the NCCA to prepare the instructors for the new GE Core Courses. The third, that of between the NCCA and CHED, is the uncertainty in the adoption by HEIs of the syllabi developed by the NCCA in the absence of a memorandum from CHED. This contributes to the atmosphere of uncertainty among the stakeholders since the NCCA could not guarantee the instructors that the syllabi they have been trained for would actually be used in their universities. All these conflictive ideas create skepticism on the part of the stakeholders despite the efforts of the NCCA and CHED. Corollary to the stakeholders' skepticism is mistrust between the NGAs and the stakeholders as well.

The NCCA engages in the governance processes of negotiation and steering. These processes make up the 'processual dimension' (Schmitt, 2009) of Cultural Governance. The case of the efficiency of the cultural governance of the NCCA is manifested in the nationwide retooling writeshops for Filipino instructors conducted four years ahead of the expected implementation of the new GE Program. The preparation of the Filipino instructors for the new GE Program by the NCCA is complete with the inclusion of the theoretical and pedagogical retooling of the educators.

The Phenomenon of Language Curriculum Change as a Socio-economic Issue

CHED Chairperson Patricia B. Licuanan (n.d.), in her press statement, acknowledges that 'the possible displacement of higher education faculty as a result of the new GE curriculum as well as

during the period when the students are in Grades 11 and 12 instead of in College is indeed a serious concern.' According to Director Dominique Tutay of the Bureau of Labor Relations (BLR), ' "for the SY 2016-2017 and SY 2017-2018, half of the 47,469 or more or less 24,000 full-time faculty members who are teaching first [y]ear and second year college may be retrenched due to forgone enrollment" ' (Philippine Information Agency [PIA], 2014). The number is way too small compared to the figure given by the Council of Teachers and Staff of Colleges and Universities. The group projects that 85,000 faculty members are to be unemployed with the implementation of the K-12 (<https://www.gmanetwork.com/>). But regardless of the discrepancy in figures, the unemployment of Filipino instructors is a possibility.

One short-term solution by the Philippine government to the unemployment issue is the filing of the bill Tertiary Transition Sector Fund (TEST) in the Philippine Congress that would 'extend financial assistance to retrenched faculty members for a period of two years'. The proposed budget is 17.28 billion (PIA, 2014)

Conclusion

The ASEAN Integration has triggered a major reform in the Philippine Education System prompting the system to undergo a paradigm shift in framework and approach. It has made a significant impact on the socio-economic status of the stakeholders who may be unemployed in 2018.

The ASEAN Integration is both a challenge and a motivation to the NGAs to strengthen and utilize their capacity for cultural governance. The case of the NCCA is one of strategic cultural governance. The preservation of culture is channeled through the educational system, an intangible entity sharing the abstraction of culture; one that has a permanent imprint on students. The timing of the introduction by the NCCA of the culture-based curriculum is optimal. During the onset of education reforms, any significant change can impact the reform process. The target is the core of the educational system, the curriculum—an element that cuts across geographical and administrative boundaries. The effectiveness of the sectoral Cultural Governance in the Philippines via the NCCA is embodied in the irony of the intensity of the subtle intrusion of culture in education. The ASEAN Integration as an externality allows for the permeation of Cultural Governance in education in the Philippines, one that is idiosyncratically Filipino.

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ASEAN under the Challenge of Sovereignty Discourse

(6)

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Abstract

The illusion of ASEAN integration makes the expectation for new economic era of ASEAN. While the economic was seem to be the main purpose of cooperation and it lead to the other two purposes; the socio-culture and the political-security. According to the sovereignty of the state members, non-interference principle was established as an important rule because of the variety of social and political culture in state members. This principle may obstruct the legal harmonization in state members such as the domestic law of state member concerning foreign rights and the human rights etc. The main factor of many problems which came from non-interference principle is sovereignty if we eradicate the "discourse" of sovereignty from our thought we've know that "Supra State Principle" of European Union is the better way to destroy this obstruction but we as the member of ASEAN was not even concern about the supra state principle and the main reason is the variety of political culture. Instead of solve the problems we choose to running to the barrier. This may reflex to the weak point of the cooperation.

Keywords: ASEAN integration/ Discourse/ Sovereignty

Introduction

We've known that Jean Bodin is a key person who supports the theory of sovereignty at the time of the beginning of Nation-State. (Chuethai, 2012, p. 116-117) Bodin's concept constitutes the ideology of the territorial kingdoms and emancipates the power to the French kingdom. (de Benoist, 1999a, p.2) Even the sovereign concept had been existed in European culture long time before the life time of Jean Bodin. (Chuethai, 2012, p. 116-117) The word "sovereignty" was used to claim for the supremacy of a governing authority upon the subject, who at the time could claim this power under the governing system of the state. (Chuethai, 2012, p. 116-117) To illustrate, such authority was the authority of God and changed to the imperial sovereignty and at the latest the popular sovereignty. (Jackson, 1999, p.17-24) In a new era, "sovereignty" is referred to the supreme power of the nation-state. The core concept of sovereignty leads to the doctrine of the separation of power.

Actually, sovereignty brings not only the separation of power but also the jurisdiction of state's law and national court of justice. The power of "sovereignty" brings about the basic norm of the UN Charter (Article 2) which enshrines the principle of equal sovereignty and its corollary, the doctrine of non-intervention. (Jackson, 1999, p.9) In the similar way, the Charter of ASEAN constitutes of the commitment of the State members to respect the principle of equal sovereignty of states and the non-interference principle enshrined in Article 2.2 (e) and (f). We may understand that such principle is necessary to maintain the state's security and integrity of the territory because the sovereignty is the foundation of power and strengths of the modern state. On the other hand, on account of too strengthening sovereignty, it is too difficult to harmonize the international standards to the domestic laws.

In the time of globalization, the international integration at the regional level is more important than ever; the international standards need to able to incorporate into or reflect in the domestic standards. Therefore, the effect of traditional sovereignty concept on the international bounding is necessary to be considered. However, the change of the attitude and value of states may face the challenge under the concept of maintaining the variety of political culture in the regional relationship and the discourse of "the ASEAN way" such as non-interference principle (Gillian Goh, 2003, p.118) or the method called "consensus-building" and "non-confrontational" diplomacy. (Abraham Alonzo O. Guiyab, 2013, p. 7)

The concept of "sovereignty" could be the main obstacle of a regional integration. It is essential to analyze the terminology of "sovereignty" in order to justify whether it is the principle which exist last long or it us just a discourse changeable and relied on the situation of social and governing system. Understanding the dimensions of the sovereignty's definition will achieve of the goal of regional cooperation without barrier of the myth. Otherwise, we will face the repetitious problems that came from the old argue of "sovereignty". Even, sovereignty was the key factor for the

democratization and globalization (Taylor, 1999, p.131) in 'new world order' (Jones, 2009, p.3), it may be the problem at the same time and we need to 'going beyond sovereignty' (Jackson, 1999, p. 30)

This paper will investigate the terminology of "sovereignty" in two aspects, firstly, in traditional approach and secondly in postmodernism approach and the effects which are results from its operation. The challenges of ASEAN on the traditional sovereignty principle by changed factors and then try to alterable the ASEAN value on sovereignty by review the alternative method for the conventional sovereignty.

Rethinking "Sovereignty" as "Theory" or "Discourse"?

Sovereignty is the core element of state's capacity to enter into relations with other states and maintain its own jurisdiction. Why is sovereignty pursued so constantly and possessed so jealously? James Madison in *The Federalist* gave the reason that it is 'in order to lay a due foundation for that separate and distinct exercise of the different powers of government'. (Jackson, 1999, p. 32) In term of academic, Hinsley captures the core meaning of sovereignty: it is 'the idea that there is a final and absolute political authority in the political community...and no final and absolute authority exists elsewhere...'. (Hinsley, 1996, p. 26) While Bodin defined the sovereignty as the 'absolute and perpetual of a commonwealth'. (de Benoist, 1999a, p.2)

ASEAN has enshrined the important of sovereignty of the state members by endorsing the principle of non-interference in ASEAN Charter, while Michael Leifer on the doyen of the realist school of ASEAN studies, argued that ASEAN's international prominence was built on its long confrontation on Vietnam following its 1978 invasion of Cambodia, and thus on upholding the 'sanctity of sovereignty'. (Leifer, 1989, p.14) Non-interference was arisen from pragmatic considerations and has not been absolute. (Severino, 2006, p.94)

In academically, the sovereignty may be categorized in two approaches. Firstly, on the structuralism approach, the sovereignty is in term of an empirical research as "a theory of political organization". (Kurtulus, 2005, p. 11-12) Secondly, on the post-structuralism approach, the sovereignty is in term of "indefinability thesis" as a part of "discourse" or "discursive practice". (Kurtulus, 2005, p. 11-12) The first characteristic in term of nation-state, the political practice supported the supremacy of state which was started from the concept of Bodin, whom supported the power of Prince which received directly from God. (Franklin ed., 1992, p.39) When the world stepped into the democratization, such absolute power was held by people. (de Benoist, 1999b, p.99) (but exercise through government some situation it maybe the power of the leader of government if the countries are not democracy system)

The second characteristic is a concept of Postmodernism or Post-Structuralism Approaches. (Kurtulus, 2005, p. 17) The definition of sovereignty in the postmodernism approach is different from the traditional sovereignty concept. In order to understand the relationship between the state and the sovereignty in term of postmodern concept, it is necessary to know the root of nation-state. Benedict Anderson defined the 'nation' as 'an imagine political-and imagined as both inherently limited and sovereign'. (Anderson, 2009, p.9) It was imagined under three conditions, firstly, the nation has limited territorial and none of any nation has imagined that they can transpose other nations to be their nation. Secondly, the nation has sovereignty according to the concept of 'nation-state' appeared in enlightenment and revolution era. The sovereign-state is the guarantee for freedom of nations. Finally, nation is the community because of a deep, horizontal comradeship even there are not equal in status of peoples. (Anderson, 2009, p.12-13) The term "sovereign-state" is referred to the nationalism concept to claim their territory and power. This concept will take a role in assimilation method to combine the common conscious on nationalization and concrete believe of nation in sovereignty.

In order to construct a nation-state which can exploit the sovereignty, language and the evolution of publishing are the devices of nationalism (Anderson, 2009, p.117-137) to spread the concept of nationalism through the "homogeneous empty time" (Anderson, 2009, p.42) literature. For instance, the literature named "*Noli Me Tangere*", the father of Philippines nationalism, Jose Rizal who created the picture of Philippines community (Benedict Anderson, 2009, p.45) as the place which all Pilipino known and without the condition of time and place of the readers but all readers can picture the literature in same way. This method created the imagined community in the mind of all people and they can feel the atmosphere of brotherhood in their nation. *Mutatis Mutandis* the nation was imagined

realities through nation-states, republican institutions, common citizenships, national flags, anthems etc. (Anderson, 2009, p.143) Besides, Rousseau still thought that the nation-state maybe "the illusion of voluntary commitment" (Lester.G.,1993, p.19-22) and "inevitably brings to mind ideas of manipulation" (John Hope Mason, 1989, p.109) which we call "Brainwashing". (Putterman, 2010, p. 76) While Bodin, the classical philosopher, believed that a country may existed by its history, culture, identity, or customs but sovereign state was existed by politically concept. (de Benoist, 1999a, p.3)

The philosopher's ideas have shown that sovereign state is not the "truth" but it is a common consciousness of peoples on political aspect. In the same way, sovereignty is more abstract than states, it is a power which states can exercise through their common own beliefs as same as homogeneous empty time concept (in term of nationalism). Besides, human rights is also the 'discourse' (Kumar, 2005, p. 417) of people which was recognized by law and has a limitation in law then why not sovereignty has the limitation under the accountability of the state as a global member. The international treaty or convention is the kind of binding that creates the limitation of state sovereignty. However, states have the right to choose the adaptation of the international instrument in two ways called Monism and Dualism system. State can also make a reservation to the international agreement, this system open space for the states to maintain their sovereignty. In other words, it is evident that states are able to exercise their sovereignty flexibly.

Why we should categorize the 'sovereignty' as a 'discourse'? Because of the discourse is a pragmatic function of rhetorical aspect (Haase, 2009, p.1) and the sovereignty also functions for the political pragmatic. The central idea of discourse is that the way people talk about the world does not reflect some objective truth about that world, but instead reflects the success of particular ways of thinking and seeing (Haase, 2009, p. 2) as same as sovereignty that express to the powerful of state authority to ruling, control, or ability to exercise its power as equal as other state without truth about the circumstance of such power. For example, the state maintains its sovereignty for security of the government's status and attempt to maintain absolute sovereignty. This situation brings about the government's argument to avoid the universal standards and exercise the internal rules. Sometimes the power was abused by the ruler as some scholar said that the most influent factor of many countries especially for the Third World is the self-confidence of governing elites in their own mission (Clapham, 1999, p.108-109) to manage the economic and politic in their countries then the absolute power is no longer be the people rights. Since Thailand has reformed the judicial system to liberate the extraterritorial treaties, the country still stays with the myth of sovereignty concerning discourse of "territory losing" which is the effect from our own believe in traditional sovereignty. (Petchlertanan, 2012, p. 311-332) That is the powerful of sovereignty discourse to include a common consciousness of Thai people on territorial ownership and exclude the other territorial ownership. (Foucault, 1981, p.52.)

The Challenge of ASEAN regional integration on traditional sovereignty principle

Since ASEAN has the Bangkok Declaration in 1967, the commentators said that it is the prime example of the so-called 'Asian Value' perspective which has the direction on diplomatic paradigm but not concrete in strength cooperation. (Abraham Alonzo O. Guiyab, 2013, p. 7) While the main purpose of regional integration is to strengthen the bargain power versus other regions. The weak point of the argument on 'Asian Value' to maintain the state's own sovereignty as internal affair has shown through the following issues.

Paradox of standards

The ASEAN Charter, Article 7, was written that "...To strengthen democracy, enhance good governance and the rule of law; and to promote and protect human rights and fundamental freedoms, with due regard to the rights and responsibilities of the Member States of ASEAN...". There is no longer to say that the concept of human rights was Western idea being pushed upon member states of ASEAN from the top down. (Guiyab, 2013, p. 9) The real situation is not as the beautiful principle as it provides. For example, Myanmar junta is a human rights violator in the war against ethnic group, the detaining of Aung San Suu Kyi and the forced replace of Rohingya refugees, the enforce disappearance in Philippines and the treatment of prisoners of Malaysia, (Guiyab, 2013, p. 10) or the martial law and criminalization of thoughts in Thailand (Asia-Pacific Journal: Japan Focus, 2014) while some scholars said that Thai government was not guarantee for human rights protection. In some cases, the government is claimed a human rights violator. (Eawsriwong, 2004, p. 137-138) but these issues have not been discussed in ASEAN forum; ASEAN still remains amicable. The greatest impediment of

human rights protection is the non-interference. The member states attempted to keep their own affairs and proved much less willing to resolve the problems together. (Guiyab, 2013, p.11)

The ASEAN Economic Community (AEC) was completion of MRA agreement in 7 professional field (skilled workers) (University of the Thai Chamber of Commerce and the Thai Chamber of Commerce, 2012) to promote the free trade in service. The competitiveness of professional labor and the development of trade in service is the goal of integration but the concerning of "brain drain" situation has remained. (Wattanabavornkul, 2013) Consequently, the countries have a rigid measure and some complicated regulation for foreign labor to protect the native profession labor. (Panglilas, 2010, p. 4) It has shown the state's concern on the national labor security and the exercise of state jurisdiction to enact the laws and related measures for the foreign labor. This practice is not harmonized with the concept of the free movement of labor. While the unskilled labor is not involved in the AEC despite of the higher rate of movement of unskilled and semi-skilled labor than skilled labor (Orbeta Jr., 2013, p. 1) and they are much relating to the irregular migration (Orbeta Jr., 2013, p.2). Even the unskilled labor is "meaningful" to the GDP of the states by generating the economic growth but still stays out of the ASEAN development prospect.

Under the globalization concept, the states need to open to trade, investment and other forms of social, economic, cultural, and political influences. The multinational corporations and business enterprises are more powerful than nation-state. (Kumar, 2005, p. 416) To maintain the sovereignty, the states need to promote the new dimensions to governance. (Kumar, 2005, p. 417)

Discourse of 'internal affair' and 'Asian Value'

The principle of non-interference is the Southeast Asia's heritage of Cold War (Jones, 2009, p. 5) which each country in this region tried to maintain territorial integrity then these protection awareness was adaptable to be the concept of 'internal affair' (Jones, 2009, p. 4-5) under the strengthening of sovereignty believe until the end of Cold War.

The 'internal affair' discourse exists until the humanitarian intervention occurs wildly. It wasn't accepted as a legally method to assist peoples in armed conflict because of the fragile of use of force reason argued. The responsibility to protect (R2P) principle was instead the humanitarian intervention, while many regions have the regional human rights court to remedy the damaged of human rights abused person. The potential for R2P to threaten traditional norms of sovereignty equality, the territorial integrity and non-interference (Evans, 2008, p. 55-76) maybe the cause which R2P has not existed in any source of law in ASEAN. Malaysia has expressed the strongest concerns about the potential for R2P to legitimize unilateral intervention (Zainol Rahim, 2009, p.4) while that Viet Nam supports a strict understanding of non-interference remains deeply cautious. (Bellamy, 2006, p.152) Indonesia has also needs the clarification of R2P principle and its application pertaining to enforcement measure. (Yudhoyono, 2005, p.5) The attitude of many countries in Southeast Asia region has shown that the strict sovereignty may necessary for their value. It has been recognized that the armed conflict occurs in many parts of the world even in Thailand and Myanmar (Drummond, 2009, p.8) which minority group of Myanmar have faced the human rights violation situation. (Arendshorst, 2009, p.105-107)

However, in July 1998 Thai foreign minister Surin Pitsuwan proposed a reinterpretation of the principle of non-interference in the form of "flexible engagement" to allow for open and frank discussion of international affairs of states that had trans-boundary effects. (Drummond, 2009, p.9) The principle that was proposed in the global and regional level as the "flexible engagement" was appeared in many concept such as "constructive intervention", "constructive involvement", and "enhanced interactions". (Wu, 2000, p.2) This could make the understanding that "non-interference" can change when the situation has been changed. It is not only the non-interference that can be reinterpreted but also the sovereignty as the core principle of states needs to be reinterpreted. Even there is hard attempt to apply more flexible rule, non-intervention concept is still strong under the sovereignty principle as a discourse of 'Asian Value' established in the Asian culture. It should be bear in mind that we need such value or we will change the attitude to maintain human rights and humanitarian principles in our regional. The development of International Law on Human Rights and Humanitarian Law has strengthened the understanding that state cannot hide under the principle of sovereignty when they commit human rights violations. (Kumar, 2005, p. 417)

Toward the "Borderless" world

A globalization thesis is concerning the withering away of sovereignty in the face of rapidly increasing economic transactions and traffic around the world. (Jackson, 1999, p.31) Now, the world culture under globalization stream is to harmonize under the same system of capitalism and commercialism. To support of this relationship among the states is to develop law, education, resources management etc. which harmonized to one another. (Eawsriwong, 2004, p. 171) Under the system of world market, the international trade must base on freedom and fair in principle; however, the major company can take most advantage from the market. (Eawsriwong, 2004, p. 203) This is the reasons of the regional integration to increase the bargaining power. But the key factor which states need to step over is their own sovereignty.

Since the early period of European Union (European coal and steel community and European Economic Community) in 1950 decade (Jackson, 1999, p.28), "Supranational" or Supra-state was become the new definition of the "beyond the sovereign state". (Cormick, 1999, p. p. 561-567) The EU Supranational principle constitutes a new legal order for a 'supra-national citizenship'. (Jackson, 1999, p. 29) Some legal scholars argue that the EU should therefore be understood as not merely 'an agreement among States' but also as 'a "social contract" among the nationals of those States'. (Weiler, 1996, p. 526-528) We might call it the European "union of sovereign states". (Jackson, 1999, p. 29) That's the model of changing definition of "sovereignty" but it is not only the definition it has to change attitude, value, culture and law because the traditional sovereignty must remain in the background of European culture and society.

The supranational principle comes with the intergovernmentalism concept to cooperate with one another on matters of common interest and it also takes inter-state relations beyond cooperation into integration, and involves some loss of national sovereignty. (Nugent, 2003, p. 475) The member states of EU need to provide evidence to meet three important criteria; a stable and functioning democratic regime, a market-oriented economy, and a willingness to accept all EU laws and regulations. Supranationalization formalizes the effects of EU law within the nation legal order (Lebeck, 2007, p. 531) because the EU is a supranational organization. (George T. and Geoffrey G., 2001, p. 363) The supranational leads to a variety of policies such as a single internal market, the union of monetary policy, a common agricultural policy and a common defense. It is the result of the policy maker who focuses on real problems rather than myths (Jackson, 2003, p. 21) of traditional sovereignty and created the common inter-state union by reduce their own sovereignty.

Some might said the postmodern states are characterized by the transnational integrated, globalized economies; by multi-level governance; and by identities that are no longer exclusively tied to that nation-state. (Sorensen, 1999, p.180) Then the European Union are closest for calling "postmodern regional integration" which step over the boundary of traditional sovereignty but their members still have their own sovereignty. Post-modern European states operate within a much more complex, cross-cutting network of governance, based upon the breakdown of the distinction between domestic and foreign affairs, on mutual interface in each other's domestic affairs, on increasing mutual transparency, and on the emergence of a sufficiently strong sense of community to guarantee mutual security. (Wallace, 1999, p. 97) The breakdown of nation state in European Union might be the great idea for a post-modern world but the weakest point of EU is the lack of providing any substantial sense of shared identity. (Wallace, 1999, p. 98-99)

Conclusion

The myth of sovereignty impedes the development of ASEAN cooperation; the operation of sovereignty on necessity and proportionality should be considered. The traditional sovereignty is not likely to be the lasting principle that brings the security to the world. The reducing of our pride of power on "sovereignty" will rather eradicate the conflict among the states and benefit the regional integration. The ASEAN development cannot be sustainable based on the non-intervention or traditional sovereignty principle rather the common sovereignty of ASEAN to protect human rights and the rights of ASEAN citizen as the driving force to ASEAN culture, economy and society. This approach will bring about the sustainable development to ASEAN community. The globalization will benefit ASEAN if we know how to adjust our perspective in a positive way and replace 'my own benefit' to 'common benefit' to show the sincere cooperation in our regional and to avoid our regional from the characteristic of hypocrisy.

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Cambodia's Roles in ASEAN

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Abstract

As Cambodia is celebrating 15th year anniversary of her membership in ASEAN, it is crucial and timely relevant to investigate Cambodia's roles in ASEAN. Cambodia's roles were sometimes overshadowed by the so-called Phnom Penh incident during Cambodia's chairmanship in 2012. Nonetheless, to examine Cambodia's roles in ASEAN, many other indicators should be taken into consideration. Therefore, this study aims to analyze the roles Cambodia has played in contributing to the realization of ASEAN's political-security and economic objectives from April 1999 to April 2014.

The study indicates that Cambodia has been actively engaged and implemented some of the major frameworks of ASEAN. On political security aspect, Cambodia has strived, among others, to uphold ASEAN's values and norms, to promote regional peace and security, and to enhance ASEAN's relevancy and centrality in the international stage. On the economic front, Cambodia has complied with ASEAN's economic framework by working collectively with other ASEAN member states to facilitate free flow of goods and investments as well as infrastructure with a common goal to foster ASEAN integration by 2015. Moreover, to further enhance ASEAN's economic goals, Cambodia not only cooperates with ASEAN member states at regional level but also closely involves in sub-regional collaborations with other CLMV counterparts.

In spite of her contributions and significant roles, Cambodia has also faced some major challenges that potentially diminish her capacity of contributing to the realization of ASEAN's goals. They include institutional weaknesses, financial limitation, human resource constrain, unfavorable prestige, and unclear foreign policy guideline.

Keywords: Roles of Cambodia in ASEAN/ ASEAN/ Cambodia

Introduction

ASEAN was established on 8 August 1967 with an objective of becoming a regional organization that promotes peace, stability, prosperity, and people-centered community within the region of Southeast Asia. Every member state of ASEAN is expected to play a constructive role and to put tremendous effort in fulfilling the overall ASEAN goals. Cambodia, despite being the low-income member state, has been performing her role and contributing to ASEAN enormously for the past 15 years from April 1999 to April 2014. To comprehensively and critically examine the role of Cambodia in ASEAN, this paper will investigate two major aspects, political-security and economic.

Political-Security Objectives

ASEAN political-security pillar upholds the commitment to promoting peaceful, stable, harmonious, and democratic environment for ASEAN people. ASEAN political-security pillar envisages three main characteristics, a rule-based community of shared values and norms, a cohesive, peaceful, stable and resilient region with shared responsibility for comprehensive security, and a dynamic and out-ward looking region in an increasingly integrated an interdependent world (ASEAN Secretariat, 2009). Cambodia's premier believes "Cambodia has been strictly fulfilling her role in ASEAN to build peaceful, prosperous, and harmonious regional community and transform ASEAN into a model of regional cooperation with global importance" (Visions of Cambodia, 2012).

Common values and norms are necessary to regulate ASEAN affairs. In particular, Declaration on the Conduct of Parties in the South China Sea (DOC), which was adopted on 4th November 2002 in Phnom Penh, is a very crucial document that restrains ASEAN member states and the People Republic of China from using force in the territorial disputes of South China Sea (ASEAN Secretariat, 2014). Despite limited human and financial resources, Cambodia had successfully hosted ASEAN Summit and its related meetings in 2002. For instance, DOC signifies the consensus that Cambodia has brought to the meetings and to strengthen ASEAN spirit to refrain from the use of force.

Furthermore, a joint statement on the 10th anniversary of DOC and ASEAN's Six-Point Principles on the issue of South China Sea were adopted by ASEAN and China in 2012 despite the failure to issue the joint communiqué (Heng, 2013). The South China Sea dispute is one of the most sensitive issues that not only threatening the peace, stability, and security of Southeast Asian region but is also likely to damage the relations of ASEAN nations and its major dialogue partner, China. It should be acknowledged that Cambodia has been placing her great effort and commitment toward this highly controversial territorial dispute through hosting, facilitating, engaging, and adopting such declarations to restrain conflicting parties from using force.

The comprehensive security cooperation and the exercise of self-constrain and conflict preventions among ASEAN member states and its external partners are necessary. As a region that shares the same geographical location and interdependency, ASEAN member states have developed the sense of interconnectedness and have been striving to enhance peace and security of Southeast Asia. Therefore, ASEAN has to always seek for peaceful dispute settlement and refrain from the use of force. Cambodia, whose neighbors are Thailand, Vietnam, and Laos, has always been willing to solve dispute in peaceful manner. The border dispute between Cambodia and Thailand has been surfaced on the international stage since the arm clash in 2008 (BBC News, 2013). In spite of the rising tension along the border, Cambodia's actions have indicated the exercise of self-constraints and the peaceful way of settling the dispute with Thailand. For instance, in February 2011, Cambodia has sent letters to the United Nations Security Council (UNSC) regarding the conflict; however, the UNSC instead referred the responsibility to ASEAN. Indonesia took the leadership role and, Cambodia once again agreed to accept the Indonesian mediation (Kanparit, 2013). "I urge ASEAN leaders to provide support and put forth necessary measures in order to make all parties concerned cooperate and accept the observers from Indonesia", said Cambodian Prime Minister (Chheang, 2012). To further solve the dispute in the peaceful manner, Cambodia decided to further present the case to the International Court of Justice (ICJ) for the clarification of the 1962 verdict. Consequently, the court ordered for demilitarized zone and demanded the withdrawal of all troops along the border (Kanparit, 2013). As being affirmed by Cambodian Defense Minister, "Cambodia stands firm on the principles of international law, ASEAN Charter, and Treaty of Amity and Cooperation (TAC) in solving the conflict between Cambodia and Thailand" (Chheang, 2012). Cambodia's actions illustrate her role in implementing and complying with ASEAN peaceful settlement mechanisms to promote peace and stability. Peace and security are necessary for Southeast Asia region as well as the rest of the world, and Cambodia's actions illustrate the country's willingness to cooperate with other ASEAN countries and its partners to sustain this necessity.

As an outward-looking regional grouping, ASEAN stresses the importance of the consolidation of ASEAN Regional Forum (ARF). ARF is a very important multilateral forum for political and security consultation and cooperation between ASEAN and its dialogue partners. Mr. Yaung Chan Sophea, Counselor to the permanent mission of Cambodia to the United Nations and the former Deputy Director of the Department of ASEAN in the Ministry of Foreign Affairs and International Cooperation, proclaims "Cambodia has an important role to play when she was chairing the ARF both at 2003 and 2012". On 10 January 2003, North Korea announced her withdrawal from the Nuclear Non-proliferation Treaty (NPT) (CNN International, 2004). The announcement posed a serious concern over the security of Korean peninsula. Cambodia, as a chair of the 10th ARF in 2003, had urged North Korea to accept the compliance of the International Atomic Energy Agency (IAEA) and to rejoin the NPT, which resulted in the support for diplomatic solutions for denuclearization of Korean peninsula (Bureau of Political-Military Affairs, 2003). Prior to the ARF meeting in 2012, Cambodia foreign minister paid a visit to North Korea where the Korean peninsula was being discussed simultaneously with the invitation of North Korea to the ARF meeting (Cheang, 2012). Denuclearization in Korean peninsula was being discussed once again in 2012, and Cambodia also called for full implementation of Southeast Asia Nuclear Weapon Free Zone SEANWFZ by the Nuclear Weapon State (NWS) (The Nuclear Threat Initiative NTI, 2014). Moreover, the meeting also resulted in the reaffirmation to stabilize Korean peninsula and the encouragement for North Korea to abide by the Six Parties Talks Joint Statement (Agence Kampuchea Press AKP, 2012). All these efforts indicate the role of Cambodia as a facilitator in trying to enhance peace and stability of the whole region as well as to address other issues outside the Southeast Asian region in order to maintain and to strengthen the role of ASEAN as an outward-looking institution in the evolving regional architecture.

Economic Objectives

ASEAN economic pillar accentuates the economic integration with a single market and production base making ASEAN the market-driven economy and an outward-looking community. ASEAN economic pillar envisages four main characteristics, a single market and production base, a highly competitive economic region, a region of equitable economic development, and a region fully integrated into the global economy (ASEAN Secretariat, 2009). According to Cambodian Ministry of Commerce, the latest report in 2010 assessing Cambodia's implementation of the AEC's key measures estimates that Cambodia has achieved 70 percent compliance and ranked 3rd in ASEAN for her AEC Scorecard from January 2008 to December 2009 (Chan and Strange, 2012).

A single market and production base is one of the main objectives that ASEAN leaders aim to achieve by 2015 in term of economic aspect. To facilitate free flow of goods, ASEAN has been implementing the ASEAN Free Trade Area-Common Effective Preferential Tariffs (AFTA-CEPT) Schemes, and ASEAN Trade in Goods Agreement (ATIGA). AFTA-CEPT Scheme mainly focuses on the schedule of tariff reduction and elimination for trade in goods in ASEAN (IDEALS Inc, 2012). Under AFTA-CEPT framework, Cambodia has committed to significantly bring down the tariff rate to comply with CEPT by reducing majority of her tariff line from 0-5 percent by 2010 and other remaining sensitive productions by 2017 (Hang, 2011). For instance, Cambodia has reduced her CEPT tariff rate of all products in the Inclusion List from 10.40 percent, 8.93 percent, and 7.96 percent in 2001, 2002, and 2003 respectively (Lao-Araya, 2008). In 2007, Cambodia further managed to achieve 6.85 percent preferential tariff rate in 2007 under the CEPT framework (Menon and Melendez, 2011). To further enhance free flow of goods, ASEAN Trade in Goods Agreement (ATIGA) was created to replace CEPT scheme (Bernabe, 2011). ATIGA focuses not only on tariff reduction and elimination but also on non-tariff elements such as Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) Measures (Ministry of International Trade and Industry of Malaysia MITI, 2014). With the new system, Cambodia along with Laos, Myanmar, and Vietnam continue to strongly support ATIGA in which 68.88 percent of the tariff lines in the Inclusion List are already at 0 percent by 2013 (MITI, 2014). Under ATIGA framework, Mr. Chea Socheat, Deputy Director of Multilateral Trade Department of Ministry of Commerce, affirms "we [Cambodia] are on board with the others in term of Certificate of Origin to allow exporters to enjoy low or zero tariff rate. Now, Cambodia is on the process of selecting certified exporters. As a result, we [Cambodia] are contributing, we don't hamper any process of ASEAN." Therefore, Cambodia's effort to reform and to modernize trading operations showcases the remarkable role of Cambodia in contributing to the achievement of free flow of goods in ASEAN.

In establishing a highly competitive economic region, ASEAN seeks to foster a culture of fair competition that is significant for maintaining healthy, effective, and stable economy. Infrastructure is an essential component to accelerate economy of ASEAN because it can easily facilitate logistic performance among neighboring countries and link the ASEAN member states together. ASEAN Highway Network (AHN) project is a network connecting seaports, airport, investment and tourism area in all ASEAN countries. AHN was endorsed by ASEAN Transport Ministers in September 1999 in Hanoi, which aims to upgrade all the designated national routes to Class I standard by 2020. The network consists of 23 designated routes totaling roughly 38, 400 km (Economic Research Institute for ASEAN and East Asia (ERIA) Study Team, 2010). By contributing to AHN, Cambodia has been constructing and repairing national routes, which are significantly served as linkages between countries in Southeast Asia. For instance, R1 (Central Sub-corridor) comprises of National Roads Number 1 and 5 are part of ASEAN Highway 1. R6 (Inter-Corridor Link) comprises of National Roads Number 4, 6, and 7 are part of ASEAN Highway 11. R10 (Southern Coastal Sub-corridor) comprises of National Roads Number 48, 3, and 33 are part of ASEAN Highway 123 (Council for the Development of Cambodia CDC, 2014). Cambodia also put a lot of effort in improving road condition to achieve AHN. As being a part of AHN, Phnom Penh-Neak Loeung road was supported by Japanese grant of 80 million USD in 2005. Moreover, Cambodia and Japan also signed another grant agreement in October 2010 to construct Neak Loeung Bridge over Mekong River, which is also part of ASEAN Highway 1 (CDC, 2014). Currently, the bridge is under construction with the completion of more than 70 percent (Siv and Sum, 2014). Upon the completion in the upcoming year, Neak Loeung bridge, the longest bridge in Cambodia, will be a very important infrastructure that connect Cambodia to Vietnam, which is very beneficial for not only the two countries but also other ASEAN member states in term of accessibility and easing logistics for trade. Despite being a low-income country, Cambodia is willing and has been invested and contributed to the development of ASEAN infrastructure.

Under the effort and willingness of Cambodia to safeguard ASEAN equitable economic development, Cambodia has liberalized and has exchanged her traffic rights with Thailand and Vietnam allowing buses and trucks from her neighboring countries to cross one another's border line easily with the efforts to ease the logistic and transportation among their neighbors, said Mr. Chea Socheat. Beside transportation facilitation, Cambodia also endorsed the ASEAN Framework Agreement on Visa Exemption to boost economic development and people-to-people connectivity (Khov, 2013). Moreover, Cambodia and Thailand have already agreed to establish Single Visa for foreign tourists under the framework of Ayeyawaddy Chao-Phraya Mekong Economic Cooperation (ACMEC) (Business in Asia, 2007). Cambodia and Thailand are the first two ACMEC and ASEAN member states seeking for boosting their tourist sector. In December 2012, Cambodia and Thailand foreign ministers vowed to implement the ACMEC Single Visa, which is open to 35 countries (Xinhua News, 2012). Mr. Chea Socheat praises, "Cambodia-Thailand's Single Visa agreement is a major step taken by both countries to enhance ASEAN integration, and that other ASEAN member states should follow them as a role model for further realizing ASEAN's goals". Eventually, Laos had sought the strategy on the single visa scheme from Cambodia on the purpose of promoting her development and increasing tourism to the country, and Cambodia is willing to give assistance with the hope of making ASEAN single visa come into existence by 2015 (Thust, 2013). Supporting ASEAN to achieve its equitable economic development is very crucial for Cambodia. As one of the CLMV countries, Cambodia has not only benefit from ASEAN initiatives but also contribute to the objectives of ASEAN through national and sub-regional efforts.

Building a strong network with non-ASEAN nations in the economic front is crucial for ASEAN to advance its interests in the global economy. At the juncture of Asia Financial Crisis, ASEAN Plus Three (APT) was officially launched. APT currently consists of 10 ASEAN member states, China, Japan, and South Korea. Under the APT framework, the most successful initiative is the Chiang Mai Initiative Multilateralisation (CMIM). CMIM started off on the bilateral arrangement, which was failed in 2009; however, CMIM was recovered in March 2010 and has been implementing at a multilateral manner by ASEAN and its dialogue partners (Eurasian Development Bank, 2012). CMIM is a multilateral currency swap arrangement to ensure stable foreign exchange rate for the region. At the opening ceremony of the 20th ASEAN Summit in 2012, Cambodia had urged ASEAN finance ministers and its dialogue partners to double the size of CMIM fund from 120 billion USD to 240 billion USD for ASEAN, China, Japan, and South Korean (Lewis, 2012). The initiative was taken into consideration and was successfully reached consensus at the 15th APT Finance Ministers meeting on May 2012 in Manila. In addition, Cambodia has successfully hosted the first ASEAN-US Business Summit. This summit aims to promote and strengthen trade and investment between the two parties. Cambodia's efforts to invite the USA to lead over 150 business representatives to this summit reflect Cambodia commitment to enhance ASEAN's economic relation with its external dialogue partners (Meas, 2012). It is crucial to recognize that bilateral relations between Cambodia and other dialogue partners can further integrate ASEAN to cooperate at the regional and global level.

Challenges to Cambodia's Roles in ASEAN

Evidences proved that Cambodia played active roles toward the realization of ASEAN's objectives, in both political and economic aspects. Cambodia's constructive roles should be acknowledged; however, some constraints that hinder Cambodia's roles are needed to take into consideration. First and foremost, government institutions have been very complex in term of its administration and decision-making process within each ministry. "Cambodia's institutions have a centralized system, in which decision making is the responsibilities of high ranking officials", said a governmental official. "Delegates found it hard to voice their opinion or analysis when tasks were assigned, clarified a public official. So, it blocks the generation of ideas and useful opinion of young diplomats and officials, which could result in more positive impacts to ASEAN. Moreover, Cambodia's institutions have been very confidential in term of information sharing among their fellow officials. As a result, it might be likely to cause misunderstanding during implementation process. Second, being a low-income country, Cambodia is very limited in term of financial resources. ASEAN's meetings and activities have been very resource-demanded, both financial and human resources. At the same time, Cambodia has limit funds to support delegates to ASEAN. A government official stress, "Incentives, in term of both monetary and promotional incentives, are very crucial for pushing Cambodia delegates to be more active in ASEAN meetings". Unfortunately, Cambodia is very limited in term of providing incentive for her officials and delegates to be proactively in ASEAN meetings. Third, financial constrain also lead to limit human resources. Human resources are vital as well as training, planning,

and diplomatic skills are required to ensure Cambodia's contributions to ASEAN. As ASEAN affairs have many dimensions, human resources with experienced diplomatic skill are demanded to represent every ASEAN's facet and meeting to assure flexible and effective Cambodia engagement. For instance, secretary of state at the Ministry of Commerce of Cambodia, Pen Sorasak, mentions, "We still lack human resources and specialists to speed up our performance for this upcoming integration" (Suy, 2014). Last but not least, Cambodia's international prestige is another major constrain hampering her roles in ASEAN's affairs. According to the Transparency International in its 2013 Corruption Perceptions Index, Cambodia ranked 160 out of 177 countries with the score 20 out of 100, ranking the most corrupted countries among ASEAN member states (Transparency International, 2014). Moreover, the 2013 election in Cambodia has surfaced on the issue of electoral fraud and the serious violation of human rights, especially on the rights to vote and freedom of expression (Human Rights Watch, 2014). This negative prestige has hindered Cambodia's ability to lead discussion or issue any declaration in addressing human rights issues.

Conclusion

In the past 15 years, Cambodia has contributed tremendously toward the realization of ASEAN's objectives, in terms of both political-security and economic aspects. The roles that Cambodia has played in ASEAN ranging from promoting consensus, chairing meetings, facilitating discussions, engaging ASEAN's dialogue partners to the meetings, ratifying and implementing treaties and declarations, to putting efforts to foster ASEAN's objectives, are all beneficial for ASEAN as a whole.

In term of political security's goals, Cambodia has played a role as a consensus promoter, a chairman to the meetings of ASEAN and its dialogue partners, a discussions facilitator, and a member state who has been complied with ASEAN's principles and obligations. For instance, ASEAN Regional Forum (ARF) aims at enhancing ASEAN's roles and relevancy in both regional and international arena. Furthermore, Cambodia has a very strong commitment in upholding ASEAN's principle of peaceful dispute settlement. As being shown earlier, Cambodia did not signal any attempt to use force against Thailand, despite the intensive situation along the border. Many other evidences being investigated in the earlier text are some of the major initiatives that Cambodia has contributed under ASEAN's framework, which are the factors to achieve ASEAN's political-security objectives.

Just like in the political-security aspect, Cambodia's roles in economic aspect are very crucial for ASEAN to realize its goals. In term of consensus promotion, Cambodia has effectively called for the increase in the Chiang Mai Initiative Multilateralisation (CMIM) fund from 120 billion USD to 240 billion USD. Cambodia has also been very active in doubling her efforts in realizing ASEAN integration by 2015. Evidences show that Cambodia has been significantly reducing her tariff rate to almost five percent in the compliance of the ASEAN's economic objectives, not to mention other essential frameworks such as ASEAN Trade in Goods Agreement (ATIGA) and Cambodia-Thailand Single Visa under the ACMEC framework. Other indicators in the earlier texts showcase the efforts, the commitment, and the willingness of Cambodia government in trying to promote and to enhance ASEAN's capacity in realizing its economic objectives.

Despite numerous roles and contributions that Cambodia has done toward the realization of ASEAN's political-security and economic objective, Cambodia has also faced many constrains that hamper her roles in ASEAN. Among those challenges, five of them were being examined in the earlier text. First, Cambodia's institution has been very weak in term of centralized power and the lack of information sharing, which can hinder and mislead the process of implementing any policy. Secondly, attending ASEAN meetings is very costly, while Cambodia has limit funds to support her delegates. Third, Cambodia still faces the shortage of human resources to facilitate her foreign services as well as to enhance Cambodia's roles in ASEAN meetings. Last but not least, the negative perception of international community toward Cambodia in term of human rights violation and undemocratic society put the credibility of Cambodia's government into doubt.

Cambodia's roles in ASEAN can be illustrated in the above-mentioned analysis; however, some challenges have also been constraining Cambodia's ability from playing her roles more actively. Therefore, two recommendations should be taken into consideration to maintain and to foster Cambodia's roles in ASEAN. Cambodia should continue recruiting new and qualified students who are committed to contribute their knowledge and skills in improving Cambodia's foreign services. This

policy will upgrade Cambodia's foreign service capacity. In addition, incentives such as monetary term, promotion, or rewards should be given to encourage and to convince the officials to continue working enthusiastically to promote Cambodia's roles in ASEAN. Besides these suggestions, additional studies and recommendations on Cambodia's roles in ASEAN are strongly encouraged.

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The Muslim Community in ASEAN Community: Looking from Islamic Perspective

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Abstract

The purpose of this article aims to explore and apply the Islamic concept to the case of the Muslim community in the context of ASEAN Community that includes the connecting between people-to-people link within ASEAN Community as which the principle of Islam concept known as “*ummah*” which influences on the process of ASEAN identity building within the region. This paper will also touch on the Muslim community in the ASEAN region, their immense potential to become important contributor towards ASEAN Community, the implementation of Muslim community forwards to the vision of ASEAN Community as said that “One Vision, One Identity, One Community” are discussed that this also in this article raises the challenge to Muslim in the region to envision a community of ASEAN, are discussed.

Keywords: Muslim Community/ Ummah/ Muslim Perspective/ ASEAN

Introduction

In the globalization era today, the economy is a driven and push the world move forward very fast and every country around the world getting together in the global society which they can't living alone as a reason why every country in the region of the world have to group themselves within their region for cooperation and increase their bargaining powers as well as their competitiveness in international arena for gaining mutual benefit and develop themselves. Hence, in the country within Southeast Asia region tried to have the commitment to unite as a community to achieve the ASEAN Community in the end of 2015 by the Association of Southeast Asia Nations (ASEAN) which found by Indonesia, Malaysia, Philippines, Thailand and Singapore in 8 August 1967, Vietnam became its member in 1995, Myanmar and Laos joined in 1997 and Cambodia became the member in 1999, ASEAN is now totally combined of the 10 countries in Southeast Asia region promised that in the end of 2015 will become ASEAN Community which comprised of 3 pillars such as ASEAN Political Security Community (APSC), ASEAN Economic Community (AEC), and ASEAN Socio-Cultural Community (ASCC). The ASEAN member countries are also agreed to adopt the ASEAN Connectivity within the region and outside the region as well. In this way each country's people can able to work freely in any ASEAN member countries. In fact The ASEAN Population totally about 600 million which half of them are Muslim. Hence, it is necessary and important for us to understanding the nature of Islam and Muslim in general and their identity within the region in particular because Muslim in ASEAN region is also important to contribute for ASEAN Community and create ASEAN Connectivity as well. For this region we can said that ASEAN is a land of pluralist society because of the diverse ethnic and religious groups are living in the region for long times, the division of ASEAN on the basic religions found that the countries' population is predominantly Buddhists are Thailand, Cambodia, Laos, Myanmar, Vietnam and Singapore but the Philippines are predominantly Christian however for Muslims Majority countries are Brunei, Indonesia and Malaysia. Apart from religious differences, minorities also have a different faith and traditions, way of life, language and culture.

The national religion of Brunei is Islam, it has a population of Muslim about 67 percent along with Buddhist and there are some Christian, Hindu, indigenous beliefs and so on. Cambodia which the Constitution has provided that Buddhism is the national religion and it is about 7 percent of the Muslim population. Indonesia with Islam as the state religion, the Muslims in the country about 88 percent of Indonesian Muslims is the majority. Muslims are a small minority in Buddhist-majority Laos and constitute about 1 percent of the population. Muslims in Laos are visible in the capital city, Vientiane, which has a mosque. The Muslim population in the country is mostly engaged in trade and manages meat shops. A small community of Cham Muslims from Cambodia who escaped the Khmer Rouge is also found in Laos that Muslims live primarily in urban areas. Malaysia is a majority Muslim population, estimated at 60.4 percent, which is the official national religion of the country and Malaysia is Muslims living there about two in three of the country. For Myanmar are Buddhists, most of the country that Buddhism is the state religion in the year 1974 and Myanmar's

many traditions associated with Buddhism. Myanmar has about 15 percent of the Muslim population. In the Philippines mainly Christian, this is the national religion and will include Islam as a religion minor, about 10 percent, mainly Filipinos on the island south of the country. Singapore has no state religion, because of the freedom of citizens to choose their own religion as they believe. Singaporeans today are mostly Buddhist population followed by Islam about 16 percent, and the population was irreligious. In a minority of countries, Thailand's population is Buddhist; it became the foundation of faith, culture, and national identity in the present, followed by Islam about 10 percent mostly Muslim southern Thailand. But there are some Christian and other religions as well. For Vietnam no national religion in the country, Vietnamese Constitution stipulates that citizens have the freedom of choice of religion. As ruled by the socialist regime whose presence was blocked. Muslims are about 1 percent and Mahayana Buddhism which has the most esteemed. (Asia Muslim Population in 2014, online)

Country	Muslim Percentage	Muslim Population (million)	Total Population (million)
Brunei	67 %	0.27	0.4
Cambodia	7 %	1.01	14.4
Indonesia	88 %	218.68	248.5
Laos	1 %	0.07	6.7
Malaysia	60.4 %	18	29.8
Myanmar	15 %	8.00	53.3
Philippines	10 %	9.62	96.2
Singapore	16 %	0.86	5.4
Thailand	10 %	6.62	66.2
Vietnamese	1 %	0.90	89.7

Sources: Asia Muslim Population in 2014, from <http://www.muslimpopulation.com/asia/>.

As People in ASEAN member states mentioned above, the principles of religion, self-esteem, which reflects of lifestyle, art, architecture, and culture and the politics of identity depictions of each country. Understanding about the religion of the people of the member states of ASEAN. It is the basis to enter into the heart of that nation and the basis of peaceful coexistence on a variety of race and religion.

Islam and Muslims in the ASEAN region

Islam is the second largest of the world's religions. Muslim countries extend from North Africa to Southeast Asia, but the one billion members of the Islamic community stretch across the globe. Muslims constitute a majority in more than fifty countries and a significant minority in many others. Though the Arab world is often regarded as the heartland of Islam, the majority of Muslims are in fact to be found in Asia and Africa, homes to the largest Muslim communities: Indonesia, Bangladesh, Pakistan, India, Central Asia, and Nigeria. Islam has grown significantly in recent years in the west, where it is now the second largest religion in many parts of Europe and the third in the United State. (William John, 1971) The Arabic word Islam means 'peace' and also 'submission' to the Will of God, hence it is the peace that lies in submission to God. As regards submission there are many ways, but Islam is the straightway as is evident from the very words "show us the straightway" that appear in the verse (6) of the first Chapter of the Qur'an, while the verse (7) clarifies the meaning of "Straightway", as the way of those on whom God has bestowed His Grace, but not of those who have earned the wrath of God and who have gone astray. (M. Musleh-uddin, 1999, p.13)

As we have mentioned earlier that the term *Islam* is derived from the Arabic root *s-l-m*, which means submission or peace. Muslims are those who surrender to the will of God or law and as a result, Muslims believe, are at peace with themselves and with God. To embrace Islam is to become a member of a worldwide faith community (*ummah*). Thus, believers have both an individual and corporate religions identity and responsibility or duty to obey and implement God's will in personal and social life. Clifford Greetz (1964, pp 379-381) discusses the nature of Islam in Southeast Asia that is diverse and can be divided into several approaches together. The region comprises more than half of the Muslim population accounting for 20 percent of the global Muslim population. Islam is the most populous country. Indonesia 80 percent in Malaysia and 60 percent in other countries where Muslims are a minority in Cambodia, Myanmar, the Philippines, Thailand and Singapore. Muslims in Southeast Asian Islam has been spread through Persia and India by Arab traders of time and processes to Islam at

a slower pace and incoherent. Islam entered the region very seriously rooted in the 14-17 century, however, the advent of colonialism; it has an impact on the spread of Islam in the region. But Islam is the true owner of the sovereignty of Allah only and the principles completely through the Quran and the *Sunnah* of the Prophet Muhammad. So the vision of freedom has been secured from the Islamic Allah, Allah is not from men themselves to secure equality and justice that we must not violate human rights themselves.

ASEAN Motto for Muslim

According to the Chapter 11, Article 36 of the ASEAN Charter has mentioned that ASEAN motto is "One Vision One Identity One Community", if we compared with the concepts of Islam towards what can be said is this, in the Muslim community in ASEAN community. It is based on the same vision, as One Vision is One *Aqidah*, One Identity is One *Ibadah*, and One Community is One *Ummah*.

One Vision as "One *Aqidah*"

Aqidah or we can say in other word as *Iman*. The Islamic creed (*aqidah*) as found in the Quran is quite simple: the so-called five articles of faith-belief in God, angles, Prophets, scriptures, and the Last Day-sum up that creed, and it was only later that more detailed formulations began to appear. There of the five articles-the first, third, and fifth-are the principal articles; the second (belief in angles as the servants and worshipers of God) is a corrective to the pre-Islamic view of angles as daughters of God, and the fourth (belief in scriptures) is an important supplement to the third. Thus modern as well as classical scholars frequently maintain that the triad of God-Prophet-Judgment Day constitutes the essential belief system of Islam. (John L. Esposito, 1995, p 94) *Iman* as literally "faith" or "belief," in the word *Iman* is technically faith in the religion of Islam, the person with *Iman* being a *mu'min*, is that the Arabic word connotes security: one who believes becomes secure against untruth and misguidance in this word and against punishment in the next, the Quran throws light on this connotation through subtle wordplay: it is "those who have believed" who shall enjoy "security" (where God is described as *mu'min*, "protector, guarantor of security") *Iman*, in the sense of "to become a believer" distinguishes a Muslim from a non-Muslim. As a summary statement, it represents belief in the following: the oneness of God, angels, prophets, revealed book, and the hereafter. The phrase *iman bial-ghayb*, usually translated "belief in the unseen," stands for belief in metaphysical realities that are inaccessible to the senses but are presumably affirmed by reason.

According to several Quranic verses (e.g., surahs 6.111; 10.99, 100), if God had wished them to believe, all human beings would have believed. Such verses do not teach fatalism but the exact opposite, namely, that since God does not compel anyone to believe, therefore every individual is free to make his or her own choice. *Surah* 18.29 says: "And say: The truth is from your Lord, so whoever wants to, let him believe; and whoever wants to, let him disbelieve." On the other hand we read in the Quran that God hardens the hearts of those who have become thoroughly evil and so deserved the hardening of heart. Their hearts "stamped" by God, such people are rendered incapable of believing, where Moses prays to God to "seal up" the hearts of Pharaoh and his followers so that they may not believe until they see the promised punishment descending on them). The Quran establishes a close connection between faith and action, or *Iman* and *Amal*: true *Iman* manifests itself in right conduct, which, to be fruitful, must be grounded in right faith. The Quran requires "those who have believed" to conduct themselves in certain ways. For example, the believers are commanded to obey God, the Prophet, and the authorities fulfill their commitment, speak the truth and say the right think, perform the ritual prayer, spend of their wealth in the way of God, fight in the of God, steadfastly, shun wine - drinking and gambling, refrain from making transactions involving interest, and avoid treating condescendingly those they have done favors to. *Iman* is also the basic of Islamic brotherhood, and the series of injunctions given, for example, in *surah* 49.9-12 are explicitly predicated on that premise. *Surah* 23 opens with the statement, "The believers have achieved success," and explains who the believers are giving details of a certain type of conduct. *Iman* and *Aman* are thus inseparable, several verses explicitly stating that actions that are apparently good but lacking a basic in *Iman* will be nullified.

In view of this connection between *Iman* and *Aman* it might seem surprising that the question of the relationship of faith and works occasioned serious debate in early Islamic history. According to one group, one guilty of a major sin ceases to be a Muslim since the militant *Khawarji* were not content to state their views but fought against all those who differed with them, they faced

strong opposition from the majority of the Muslim population. On the doctrinal level, however, the anti-khariji polemic resulted in the formulation of a view that undermined the integral relationship between *aman* and *iman*. The *Murji'* reaction (the *Murji'*ah from *irja'* "postponement"-put off the verdict on the grave sinner until the Last Day, Leaving the matter in God's hands) stressed, or rather overstressed, the importance of *Iman*, in effect devaluing *amal*.

1) *Belief in one God*, The most fundamental and most important teaching of Prophet Muhammad (blessing of Allah and peace be upon him) is faith in the Oneness of God. This is expressed in the primary *Kalimah* of Islam as "There is no deity but Allah" (*La ilaha illallah*). This beautiful phrase is the bedrock of Islam, its foundation and its essence. It is the expression of this belief which differentiates a true Muslim from a *kafir* (unbeliever), *mushrik* (one who associates others with God in His Divinity) or *dahriyah* (atheist). The acceptance or denial of this phrase produces a world of difference between man and man. The believers in it become one single community and those who do not believe in it form an opposing group. For the believers there is unhampered progress and success in this world and in the hereafter, while failure and ignominy are the ultimate lot of those who refuse to believe in it. But the difference between the believers and the unbelievers does not result from the mere chanting of a few words. Obviously, the mere utterance of a phrase or two is not in itself important. The real difference lies in the conscious acceptance of this doctrine and complete adherence to it in practical life. Mere repetition of the word 'food' cannot dull hunger; mere chanting of a medical prescription cannot heal the disease. In the same way, if the *kalimah* is repeated without any understanding, it cannot work the revolution which it is meant to bring about. This can occur only if a person grasps the full meaning of the doctrine and accepts and follows it in letter and spirit. We avoid fire because we know that it burns; we keep away from poison because we know that it can kill. Similarly if the real meaning of *Tawhid* are fully grasped, we avoid, in belief as well as in action, every form of disbelief, atheism and polytheism. This is the natural consequence of belief in the Oneness of God.

2) *Belief in God's Angels*, The Prophet Muhammad (blessings of Allah and peace be upon him) has further instructed us to have faith in the existence of God's angle. This is the second article of Islamic faith and is very important; because it absolves the concept of *Tawhid* from all impurities and frees it from the danger of every conceivable shadow of *shirk* (polytheism). The polytheists have associated two kinds of creatures with God are those who have material existence and are perceptible to the human eye, such as the sun, the moon, stars, fire, water, animals, great men and soon. And Those who have no material existence and are not perceptible to the human eye: the unseen beings who are believed to be engaged in the administration of the universe; for instance, one controls the air, another imparts light, another brings rains, and so on and so forth. The alleged deities of the first kind have material existence and are before man's eye. The falsity of their claim has been fully exposed by the *kalimah-La ilaha illallah*. This is sufficient to dispose of the idea that they enjoy any share in divinity or deserve any reverence at all. The second kind of things, being immaterial, are hidden from the human eye and are mysterious; the polytheists are more inclined to pin their faith in them. They consider them to be deities, gods and God's children. They make their images and render offerings to them. To purify belief in the Oneness of God, and to clear it from the admixture of this second kind of unseen creatures, this particular article of faith has been expounded. Muhammad (blessings of Allah and peace be upon him) has informed us that these imperceptible spiritual beings, whom people believe to be deities of gods or God's children, are really His angles. They have no share in God's divinity; they cannot deviate from His commands even by the slightest fraction of an inch. God employs them to administer His Kingdom, and they carry out His orders exactly and accurately. They have no authority to do anything of their own accord; they cannot present to God any scheme conceived by themselves, and they are not even authorized to intercede with God for any man.

3) *Belief in God's Books*, The third article of faith which Muhammad (blessing of Allah and peace be upon him) has commanded us to believe is faith in the Book of God; Books which He has sent down to mankind through His Prophets. God had revealed His Books to His Prophets before Muhammad (blessing of Allah and peace be upon him) and these books were sent down in the same way as He sent down the Quran to Muhammad (blessing of Allah and peace be upon him). We have been informed of the names of some of these books: Books of Abraham, the *Torah* of Moses, *Zabur* (Psalms) of David, and the *Injil* (Gospel) of Jesus Christ. We have not been informed of the names of Books which were given to other Prophets. Therefore with regard to other existing religious books, we are not in a position to say with certainty whether they were originally revealed books or not. But we tacitly believe that whatever Books were sent down by God is all true. Of the Books we have been told, the Books of Abraham are extinct and not traceable in existing world literature. David's *Zabur*; the

Torah and the *Injil* exist with the Jews and the Christians, but the Quran says us that people have changed and added to these books, and God's words have been mixed up with texts of their own making. This corruption and pollution of the Books has been so large and so evident that even the Jews and the Christians they admit that they do not possess their original texts, and have only their translations, which have been altered over many centuries and are still being changed. On studying these Books we find many passages and accounts which evidently cannot be from God. God's words and those of man are mixed together in these books, and we have not means of knowing which portions are from God and which from man. We have been commanded to believe in previously revealed Books only in the sense of admitting that, before the Quran, God had also sent down books through His Prophets, that they were all from one and the same God, the same God Who sent the Quran and that the sending of the Quran as a Divine Book is not a new and strange event, but only confirms, restates and completes those divine instructions which people had mutilated or lost in antiquity.

4) *Belief in God's Prophets*, In the last chapter we explained that God's Messengers had been raised among every people, and that they all brought essentially that same religion-Islam-which the Prophet Muhammad (blessing of Allah and peace be upon him) propagated. In this respect all the Messengers of God stand on a par with each other. If a man belies any one of them, he, as it were, belies all, and if a man affirms and believes in one of them, he must and ought to affirm all. The reason is simple. Suppose 10 men make the same statement; if you admit one of them, to be true, you *ipso facto* admit the remaining nine as true, and if you belie any one of them, by implication you belie all of them. It is for this reason that in Islam it is necessary to have implicit faith in all the Prophets of God. One who does not believe in a particular Prophet would be a *kafir*, though he may profess faith in all the other Prophets. Tradition has it that the total number of Prophets sent to different peoples as different times is 124,000. If you consider the life of the world since it was first inhabited and the number of different peoples and nations that have been on it, this number will not appear too great. We have to positively believe in those of the Prophets whose name has been mentioned in the Qur'an. Regarding the rest, we are instructed to believe that all the Prophets sent by God for the guidance of mankind were true. Thus we believe all the Prophets raised in India, China, Persia, Egypt, Africa, Europe and other countries of the world, but we are not in a position to be definite about a particular person outside the list of Prophets named in the Qur'an, whether or not he was a Prophet, for we have not been told anything against the holy men of other religions. It is quite possible that some of them might have been God's Prophets, just as the followers of Moses and Jesus (peace be upon them) have done. Therefore, whenever we express any opinion about them, it should be about the tenets and rituals of their religions; as for the founders of those religions, we will remain scrupulously silent, lest we should become guilty of irreverence towards a Prophet.

5) *Belief in life after death*, the fifth article of Islamic Faith is belief in life after death. The Prophet Muhammad (blessing of Allah and peace be upon him) has directed us to believe in resurrection of this belief, as taught to us by him, are as follows that the life of this world and of all that is in it will come to an end on an appointed day. Everything will be annihilated. That day is called *Qiyamah*, i.e. the Last Day. That all the human beings who have lived in the world since its inception will then be restored to life and will be presented before God Who will sit in judgment on that day. This is called *Hashr* (Resurrection). That the entire record of every man and woman-of all their doings and misdoings-will be presented before God for final judgment. That one who excels in goodness will be rewarded; one whose evils and wrongs outweigh his good deeds will be punished. That those who emerge successful in this judgment will go to Paradise and the doors of eternal bliss will be opened to them; those who are condemned and deserve punishment will be sent to Hell-the abode of fire and torture.

One Identity as "One 'Ibadah'":

'Ibadah is an Arabic word derived from '*Abd* (a slave) and it means submission. Allah is your Master and you are His slave and whatever a slave does in obedience to and for the pleasure of his Master is '*Ibadah*. The Islamic concept of '*Ibadah* is very wide. If you free your speech from filth, falsehood, malice and abuse and speak the truth and talk goodly things, and do all this only because God has so ordained, they constitute '*Ibadah*, however secular they may appear. If you obey the law of God in letter and spirit in your commercial and economic affairs and abide by it in your dealings with your parents, relatives, friends and all those who come into contact with you, all these activities of your are also '*Ibadah*. If you help the poor and the destitute, give food to the hungry and serve the afflicted and do all this not for any personal gain but only to seek the pleasure of God, this is all '*Ibadah*. Even your economic activities you undertake to earn your living and to feed your dependants are '*Ibadah* if

you remain honest and truthful in them, and observe the law of God. There are 5 key practices between man and God.

1. Confirmed verbally "*There is no god but Allah's, and the Prophet Muhammad is His Messenger*" This oath or affirmation. Tantamount to admitting that from today onwards, I will strongly adhere and worship to Allah, the Lord of the universe's sole purpose only. And we will ask for their practice in the discipline, moreover according to the exemplary life of the Prophet Muhammad and rules in Islam such as we will also worship the true God only, not to worship the god of all gods and all things. His addition to the God and we will practice him to follow when using. We will stop when he stopped by an injunction. We will not allow God or worship a false God, including property husband, wife, children, family honor these passions into a dominant power in his heart replace God anymore. And we will life style according to the tradition and precedent of God until the end.

2. Pray (Salah) is the most fundamental and most important of these obligations. *Salah* are the prescribed daily prayers which consist in repeating and refreshing five times a day the belief in which you repose your faith. You get up early in the morning, cleanse yourself, and present yourself before your Lord for prayer. The various poses that you assume during your prayers are the very embodiment the spirit of submission; the various recitals remind you of your commitments to your God. You seek His guidance and ask Him again and again to enable you to avoid His Wrath and follow His Chosen Path. You read out from the Book of the Lord and express witness to the truth of the Prophets and also refresh your belief in the Day of Judgment and enliven in your memory the fact that you have to appear before your Lord and give an account of your entire life.

3. Fasting. What prayers seek to do five times a day, fasting in the month of Ramadan (the ninth month of the lunar year) dose once a year. During this period we eat not a grain of food not drink a drop of water from dawn to dusk, no matter how delicious the dish or how hungry or thirsty we feel. What is it that makes us voluntarily undergo such rig ours? It is nothing but faith in God and the fear of Him and the Day of Judgment. Each and every moment during our fast we suppress our passions and desires and proclaim, by so doing, the supremacy of the Law of God. This consciousness of duty and spirit of patience that incessant fasting for a whole month inculcates in us help us strengthen our faith. Rig our and discipline during this month bring us face to face with the realities of life and help us make our life, during the rest of the year, a life of true subservience to His Will. From yet another point of view fasting has an immense impact on society, for all the essential equality of men and thus goes a long way towards creating in them sentiments of love and brotherhood. During Ramadan evil conceals itself while good comes to the fore and the whole atmosphere is filled with piety and purity. This discipline has been imposed on us for our own advantage. Those who do not fulfill this primary duty cannot be relied on to discharge their other duties. But the worst are those who during this holy month do not hesitate to eat or drink in public. They show by their conduct that they care nothing for the commands of Allah in whom they profess their belief as Creator and Sustainer. Not only this, they also show that they are not loyal members of the Muslim community-rather; they have nothing to do with it. Only the worst can be expected of such hypocrites.

4. Zakah. Every Muslim whose finance are above a certain specified minimum must pay 2½ per cent of his cash balance annually to a deserving fellow-being, a new convert to Islam, a traveler or a person with debts. This is the minimum. The more you pay, the greater the reward Allah will bestow on you. The money that we pay as *Zakah* is not something Allah needs or receives. He is above any want and desire. He, in His being Mercy, promises us manifold rewards if we help our brethren. But there is one basic condition for being thus rewarded: when we pay in the name of Allah, we shall neither expect nor demand any worldly gains from the beneficiaries nor aim at becoming known as philanthropists. Hence, *Zakah* is as basic to Islam as other forms of '*Ibadah*'; *Salah* (prayer) and *Sawn* (fasting). Its fundamental importance lies in the fact that it fosters in us the quality of sacrifice and rids us of selfishness and plutocracy. Islam accepts within its fold only those who are ready to give away in God's way some of their hard-earned wealth willingly and without any temporal or personal gain. It has nothing to do with misers. A true Muslim will, when the call comes, sacrifice all his belongings in the way of Allah, for *Zakah* has already trained him to do so. Muslim society has much to gain from the institution of *Zakah*. It is the bounden duty of every well-to-do Muslim to help his lowly-placed, poor brethren. His wealth is not to be spent solely for his own comfort and luxury-there are rightful claimants on his wealth, and they are the nation's widows and orphans, the poor and the invalid; those who have the ability but lack the means to get useful employment and those who have the talent but not the money to acquire knowledge and become useful members of the community. He who does not

recognize this owe call on this wealth of such members of his own community is indeed cruel. For there could be no greater cruelty than to fill one's own coffers while others die of hunger or selfishness, greed and acquisitiveness. Disbelievers, devoid of sentiments of universal love, know only how to preserve wealth and to add to it by ending it out on interest. Islam's teachings are the antithesis of this attitude. Here one shares one's wealth with others and helps them stand on their own feet and become productive members of society.

5. *Haji*, or the pilgrimage to Makkah, is the fourth basic '*Ibadah*'. Then there are, as in other '*Ibadah*' many benefits that Muslims can derive from this pilgrimage. Makkah is the center towards which Muslim must converge once a year, meet and discuss topics of common interest, and in general create and refresh in themselves the faith that all Muslim are equal and deserve the love and sympathy of others, irrespective of their geographical or cultural origin, Thus the pilgrimage unites the Muslims of the world into one international fraternity.

One Community as "One *Ummah*"

Ummah often translated "Muslim community"; the term *Ummah* designates a fundamental concept in Islam. Although its meaning has constantly developed through history, it has often been used to express the essential unity of Muslim in diverse cultural settings. Use in Quran and Hadith. The term *Ummah* occurs sixty-four times in Quran. Most studies of the Quranic concept of *Ummah* assert that the term designates a people to whom God sends a prophet, or a people who are objects of a divine plan of salvation. According to these studies, the term *Ummah* refers to a single group sharing some common religious orientation. In Quranic usage, however, the connotation of community and religion do not always converge, and the word has multiple and diverse meaning. In several instances *Ummah* refers to an unrestricted group of people. *Surah* 28.23, for example, reads, "And when he [Moses] came to the water of Madyan, he found on it a group of men (*Ummah min al-nas*) watering" The term can also mean a specific religion or the beliefs of a certain group of people (43.22-23);, or an exemplar or model of faith, as in the reference to Abraham as an "*Ummah*, obedient to God"(16.120). *Ummah* also refers to the followers of prophets ("For every *Ummah* there is an apostle,") to a group of people adhering to a specific religion ("To each one of you We have appointed a law and a pattern of life. If God had pleased He could surely have made you all a single *Ummah*,"5.48) to a smaller group within the larger community of adherents ("They are not all alike; among the people of the Book is an upright *Ummah*, 3.113) to the follower of Muhammad who are charged with a special responsibility ("And thus We made you a medium *Ummah* that you may be the bearers of witness to the people and that Apostle may be a bearer of witness to you,"2.143); or to a subgroup of these follower ("So let there be an *Ummah* among you who may call to good, enjoin what is right and forbid the wrong, and these it is that shall be successful,"3.104).

Ummah often denotes a misguided group of people ("Were it not that all people would be a single *Ummah*, We would certainly have allocated to those who disbelieve in the Beneficent God [to make] of silver the roofs of their houses and the stairs by which they ascend,"43.33), or a misguided party from among the followers of a prophet ("And on the day when we will gather from every *Ummah* a party from among those who rejected Our communications, then they shall be formed into group," 22.83, or "Then We sent Our apostles one after the other; Whenever there came to an *Ummah* their apostle, they called him a liar, so We made one follow the other [to its dooms], and We turned them into bygone tales,"23.44). Finally, *Ummah* could mean a period of time ("And if We hold back from them the punishment until a stated *Ummah*/period of time, they will say,"11.8) it can also mean an order of being ("And there is no animal that walks upon the earth nor a bird that flies with its two wings but they are an *Ummah* like yourself,"6.38).

The occasional rift between the civil and religious notions of *Ummah* in Quranic usage has parallels in Hadith literature. In several traditions Muhammad is said to use "my *Ummah*" to mean the group related to him by lineage rather than by religion. It is the Hadith literature; however, that provides the concept of *Ummah* its precise and focused meaning. Besides the Quran, the earliest extant source available is a set of documents written by Muhammad shortly after his arrival at Medina. These documents, commonly referred to in modern scholarship as the "Constitution of Medina," comprise several practical provisions designed to regulate social and political life in Medina under Islam. Most scholars agree that main purport of the Constitution is political and not religious. It defines treaty relations between the different groups inhabiting Medina and its environs, including the Muslim tribes of Medina, Muslims who emigrated from Mecca, and Jews. (Ahsan Abdullah, 1992) The "constitution"

starts with the pronouncement that all these groups constitute “one distinct community (*Ummah*) apart from other people.” In the forty-seven clauses of the constitution the term *ummaḥ* appears in only one other instance, when the Jews of Banu Awf are said to constitute “an *Ummah* with the believers.” The same clause goes on to state that the Jews have their religion and the Muslims have their. The meaning of the term *Ummah* in the constitution is clearly not synonymous with religion. The Constitution also delineates relations with religions of mutual aid among the different constituent tribal groups, actions to be taken against those who violate the terms of the agreement, and actions to be taken against criminals belonging to the incipient community in Medina. Rather than supplanting or abolishing tribal bonds, the constitution regulates relations among tribes, and between them and the outside world, on the basis of the order of the *Ummah*. *Ummah* here is a concept of daily life that also stands for a certain kind of identity and defines a social unit.

While the Constitution of Medina seems to sanction diversity within the Islam *Ummah*, the Quran sanctions differentiation among various *Ummahs* as a norm decreed by God. *Surah* 10.19 reads, “people were once a single *Ummah*; but they differed (and follower different ways). Had it not been for the word proclaimed by your lord before, their differences would have been resolved”. There is a sense, therefore, in which the concept of the *Ummah* refers to an ideal state, an original all encompassing unity that is always invoked but never completely recovered. This rudimentary concept of the *Ummah*, however, is complemented by the narrower concept of the *Ummah* of believers. This is the “medium *ummaḥ*”(2.143), which is further qualified in the Quran as: “the best *Ummah* evolved for mankind, enjoining what is good, forbidding what is wrong, and believing in God”(3.110). This specific *Ummah*, or the follower of Muhammad, is further differentiated from the followers of earlier messengers and prophets; whereas the latter’s sphere of influence is restricted to particular peoples, the former’s scope is all of humanity. When referring to prophets before Muhammad, the Quran says, “To every *Ummah* we have sent an apostle [saying:] Worship God” (16.36; see also 10.47 in reference to Muhammad, however, the Quran adds, “Say O men, I am verily the apostle of God to you all”(7.158). The universality of Muhammad’s mission was thereby asserted, and the “medium *ummaḥ*” shouldered the central role in the fulfillment of this mission after him, and it is well known that. Muslims are not the only people who live on this planet alone. But we also have other ethnic peoples, races, and other lineage was produced and co-residence, The Quran states that “O mankind! We have created you from a male and a female, and made you into nations and tribes that you may know one another” (49.13)

Among the multiplicity of peoples and races, human was not born in this world alone. But also have the natural resources and wealth is created in conjunction with. We will find it some wealth to some people, as there is with much other wealth to other generations. Human beings can’t avoid dependence on each other. When people live in crushing, the relationship between human activities has a wider and more, from one person to another, from group to group, from one nation to another nation. Finally, the relationship between people occurs. And thereby contribute to help in the production process. This exchange trading business and direction of joint stability in order to meet the needs of everyone fully and completely (Secretary General’s Report, 2005). As well as the needs of the human that I could not just rely on self-dependence or only ethnic group, otherwise, of the same but to rely and depend on the sweat and labor of human. At the community, region, country and continent to replacements in the illicit shortage or to improve the lives for the better and create a better economic base because all people and all nations have the capacity, skills, and possess the resources and wealth are different. The Quran states that “Is it they who would portion out the Mercy of your Lord? It is We Who portion out between them their livelihood in this world, and we raised some of them above others in ranks, so that some may employ others in their work. But the mercy (Paradise) of your Lord (O Muhammad) is better than the (wealth of this world) which they amass” (43.32)

Conclusion

Therefore, the Muslim community in ASEAN community the cultural differences are not a barrier anymore in the community as one, which the cooperation in all sectors of the ASEAN Community. Is essential in the same community as equals both the social and economic there are many Muslims who are part of the ASEAN Community. And there are those who believe, faith in other religions a number of other It is part of the ASEAN Community as well. Which all parties must be willing to accept each other's differences, Mutual respect and treated equally under the Charter was set up. The belief and the faith of the people of Southeast Asia, there are ethnic groups of Southeast Asia is one of the ASEAN community blend dependency share the mutually beneficial under the cooperation

together in the Southeast Asia. There are many ethnic groups with a population of over 86 million people and Islam is the religion with the most revered in Southeast Asia with an estimated number of more than 240 million people, representing 40% of the total population. There are also The Buddhist Cult of ancestor worship and Confucianism, Christianity etc, religion is diverse in Southeast Asia, and no country yet has the same religion. Therefore, differences in beliefs, faith of ethnic Southeast Asia, available in each country can hold together for a long time then. It's not any obstacles ASEAN community to fuse to become world powers, and identity of Southeast Asia. The cultural, beliefs, faith became part of the unity of ASEAN community the sustainable.

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Local Heritage Networking for ASEAN Connectivity

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Abstract

According to Brathwaite, cultural diversity is not merely the existence of different cultures occupying a single space, but also a dynamic engagement between cultures, their values, beliefs, and ways of knowing. In other words, cultural diversity consists of social and cultural interaction and understanding among peoples of the world. Heritage collections of institutions reflect the cultures, religion and languages of each community and these need not only be preserved and protected through the equal distribution of resources and an equitable rendering of concrete services to all communities but also promoted and disseminated for purposes of research, scholarship and documentation. ASEAN institutions of higher learning have organized heritage collections and established networks among themselves not only to preserve but also to disseminate for greater understanding and connectivity among themselves. This paper aims to present existing heritage collections networks as well as collections of institutional repositories which contain scholarly works on aspects of culture, governance and political development of countries in the ASEAN Region.

Keywords: Heritage Collections/ Cultural Diversity/ Heritage Networking/ Institutional Repositories

The ASEAN Region

The ASEAN Region consists of the countries Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Singapore, Thailand, Philippines, and Vietnam.

ASEAN is 3% of the total land area of Earth, and has a population of more than 600 million people, which is 8% to 9% of the world's population. The sea area of ASEAN is about three times larger than its land counterpart. As a single entity, ASEAN ranks as the sixth largest economy in the world, behind the US, China, India, Japan and Germany.

The ASEAN Region is a culturally diverse society. This is generally known as multiculturalism which refers to the harmonious co-existence and interaction of different cultures, where 'culture' includes racial, religious or cultural groups and is manifested in customary behaviours, cultural assumptions and values, patterns of thinking and communication styles (Gill).

Cultural diversity is not the mere existence of different cultures occupying a single space. It is a dynamic engagement between cultures, their values, beliefs, and ways of knowing (Brathwaite). In other words, cultural diversity consists of social and cultural interaction and understanding among peoples of the world.

ASEAN Connectivity

The Master Plan on ASEAN Connectivity was adopted in October 2010 "to enhance regional and national physical, institutional and people-to-people linkages." A well-connected ASEAN will bring goods, services, and capital together, thereby enhancing competitiveness and resiliency of the region.

Through ASEAN Connectivity, the ASEAN Community is achieved. Such community includes the following: ASEAN Political-Security Community, ASEAN Economic Community, and ASEAN Socio-Cultural Community.

This paper shows the initiatives of ASEAN institutions and their respective libraries and information centers toward achieving ASEAN Connectivity through networking of their collection on local heritage or local knowledge thereby enhancing socio-cultural and political understanding among peoples of the ASEAN Region.

ASEAN University Libraries and ASEAN Connectivity

Libraries of higher educational institutions in individual ASEAN countries have formed networks to augment information sources that are otherwise very difficult to acquire due to budgetary constraints. These networks of academic libraries have the common goals and objectives of developing a library system and computer network linking various libraries. This is a very significant development that facilitated information retrieval and exchange among member institutions (Siengthai). Library networking, thanks to new information and communications technologies, has expanded considerably in the last 20 years and has spread not only within every ASEAN Region countries but also among libraries and information centers in the ASEAN Region. It is also worth mentioning that these networks are linked to various networks found elsewhere in the world. Today, more than ever, networking activities have expanded from the simple inter-library loan to staff exchanges, knowledge and skills transfer, cooperative or shared cataloging and indexing, document delivery as well as referral services and actual sharing of resources for the participating libraries' client. Some of these networks include the Provincial University Libraries Network (PULINET) the Thai Academic Library Network Metropolitan (THAILINET-M) in Thailand; the national library system of Indonesia; the Berita Bibliography of Malaysia, Singapore, and Brunei; PAARLNET, Philippine eLib, Health Research and Development Information Network (HERDIN), University of the Philippines Library System of the Philippines, etc.

In the ASEAN Region, the ASEAN University Network Inter-Library Online (AUNILO) is one group or network that has undergone projects meant to promote connectivity and cooperation among member countries. AUNILO is a network of ten (10) countries represented by three (3) of the premier universities in each country except Thailand that has four (4) members since Thailand hosts the ASEAN University Network (AUN). The member university libraries have organized heritage collections and established networks not only to preserve but also to disseminate contents of such collections for greater understanding among themselves. The resources in this network contain records on culture, governance and political development of countries in the region and shared by all communities.

The Institutional Repository

Recognizing that the member libraries have very rich local heritage collections, the idea of establishing an Institutional Repository (IR) in each member university was launched in February 2011 at AUNILO's 7th International Meetings. The information resources (publications, research outputs, archival or rare manuscripts, special collections) owned by the institutions and contained in their respective university library form the core collection of the IR. An institutional repository is a set of services that a university offers to the members of the community for the management and dissemination of digitized materials created by the institution and its community members (Lynch) and as part of the process of scholarly communication (Ware). The institutional repository (IR) has the potential to serve as tangible indicator of a university's quality and to demonstrate the scientific, social and economic relevance of its research activities or outputs, thus increasing the institution's worldwide visibility, status and public value (Crow). Institutional Repositories have become an important source of primary information for researchers and is popularly used in many countries.

The IRs of AUNILO Member University Libraries

The IRs of the AUNILO member university libraries contain digitized resources on open access to their constituents and linked with the AUNILO Portal ranging from university and faculty publications, theses and dissertations, examination papers, manuscripts, rare research reports, students' final projects, conference papers and proceedings, patents, inauguration speeches, scientific papers, images, video recordings and music, oral history materials, cartographic materials, course materials, learning manuals, research outputs, photographs, and journals published by these institutions.

The IR of the Libraries of the University of the Philippines Diliman.

The University Archives and Records Depository (UARD) is the official institutional repository of the University of the Philippines (UP) pursuant to Executive Order No. 13 dated June 7, 1974 issued by then UP President Salvador P. Lopez. The same executive order designated the University Librarian as the concurrent University Archivist. The two major functions of the UARD are:

- To collect and maintain archival materials that will assist researchers in tracing the development of the University and reflect the professional careers and achievement of the University administrators, faculty, and alumni; and
- To provide service relating to the establishment and maintenance of an efficient and effective records management program.
- E-prints is the system used to manage the Institutional Repository (IR).

The contents of the IR of the UARD includes the following:

- **Faculty Publications** -- output of research grants to faculty members funded by the University through the Office of the Vice-Chancellor for Research and Development.
- **Theses and Dissertations** – research studies produced by students as part of the requirements for degrees granted by the University.
- **University Publications** – in-house publications of the University published by the University Press, the University's Information Office (both system and Diliman, the flagship campus), the research outputs of the major research centers of the University, academic catalogues, academic calendars, faculty handbooks and manuals, directories, reports issued regularly by central administration, brochures, guides, alumni and student yearbooks, newsletters, community and student newspapers/bulletins.
- **Images/Video recordings** – E-resources produced by the University's Information Offices, the Office of Initiatives for Culture and the Arts, and the Office of the Vice - Chancellor for Student Affairs, in celebration of events/occasions, and tributes held in the University such as commencement exercises, yearly awards (parangal), honoris causa given to outstanding alumni, local or foreign personalities who have significant contributions to national development and/or relevant contributions to the University and to the world.
- **Books and Serial Articles** -- include books and serial articles about the history of the University and its colleges/schools/institutes, etc., writings and messages of university officials.
- **Cartographic Materials** – includes campus maps and its environs.
- **Presidential Papers and donated memorabilia** of outstanding alumni and faculty members
- **UP Gazette containing policies, issuances, directives, resolutions of the Board of Regents (governing body of the University)**
- **Research outputs of the major research centers of the University:** UCIDS on vital areas of Philippine society covering population resources, environment and sustainable development, values, culture and communication in relation to nation building, education, basic human need, governance, public welfare and social justice, studies on the peace conflict resolution and human rights, studies on psych-social trauma that relates to human rights violation brought about by political violence at the level of victims, survivors and care givers, studies on marine affairs, biodiversity conservation, Mindanao studies and disaster management; **Law Center** on legislative reforms, studies on the court system, international law, law of the sea, Asian legal systems, foreign policy and intellectual property rights.; **University Center for Women Studies (UCWS)** on the elderly, feminist theories and role of women on various spheres, health and sexuality, laws and women's rights, and violence against women; **Asian Center** on the Philippine revolution, the Southern Council for Peace and Development and the Brunei- Darussalam- Indonesia- Malaysia- Philippines East Asia Growth Area (BIMP-EAGA; **NEC** on coastal structures, studies on water resources hydrology, river control and sediment transport; **MSI** on coral reefs, red tide and seagrass ecosystems. More units of the University have also started turning over their research outputs and publications to the IR.

Local Information Network in Southeast Asia

Realizing the danger and further loss of local knowledge/wisdom that is unique to a culture in Southeast Asia, the Local Information Network in Southeast Asia was organized in 2004 by the Project of International Coordination on Local Information of the Sirindhorn Information Center, Academic Resource Center of Mahasarakham University in cooperation with the Thai Library Association's International Librarians and Information Specialists Group. This is a network not only for

learning and training but also a repository of digitized local information. Local information refers to traditional, local, and indigenous knowledge that covers all accumulations of books and other materials in all formats and contain information on local environment in all its physical aspects, including geology, paleontology, climatology, and natural history, and in terms of all human activities and historical and factual events, folklore and long standing traditions and practices.

The network is participated in by the six countries represented by their national or state university library. It has in its database bibliographic information as well as digitized resources on culture and the arts such as myths, legends, poetry, ballads, chants, etc. It also has a glossary of terms in their respective language with equivalent terms in English and the languages of the countries participating in the network. Pronunciation of such terms is also included in the glossary. Japan has joined the library systems and digitized information resources on maps and disasters specifically the Great East Japan Earthquake Archive have been uploaded in their databases. The websites of the participating institutions (Center of Southeast Asian Studies, Kyoto University and the National Diet Library) are linked to the network.

Networks and Databases in the Philippines Thai Promote ASEAN Connectivity

- **The Philippine eLib**

The Philippine eLib (www.elib.gov.ph) is the digital resource of five government agencies, namely: the University of the Philippines, the National Library of the Philippines, the Department of Science and Technology, the Department of Agriculture, and the Commission on Higher Education. It is the most comprehensive consortium in the Philippines and is seen as to represent the evolving culture and modernity of the country. It is a national information resource-sharing consortium and one-of-a kind collaborative project between one academic institution and four non-academic government institutions. Funded by the Philippine government, the resources of the five institutions were pooled together to create the largest and most comprehensive database that contains over a million bibliographic records and more than 30,000 digitized full-text content of local (Filipiniana) cultural heritage materials, indigenous local materials, unique archival materials, and other special collections from the different partner institutions. Aside from these, the Philippine eLib also subscribes to large e-journal databases that are accessible free to clients of the member institutions as well as affordable fee for others.

The Philippine eLib was established primarily to provide increased access to information for a wide-range of purposes by providing a portal for Philippine materials like researches, statistical data, theses and dissertations, journals and books. In addition, the eLib's objectives include enriching local content in digital format for community and global access; building capabilities and expertise in the creation and generation of digitized information sources; providing library and information service network to academic and government institutions to maximize the use of resources; promoting and accelerating the exchange of knowledge resources among various sectors of society, including regional and international users; providing access to Filipiniana cultural heritage collections and indigenous materials through archiving and digitized data; and creating another means of preserving Filipiniana cultural heritage collections and indigenous local materials by providing surrogate digitized sources, thereby, safeguarding the originals. Content-wise, the five institutions contribute materials that are unique to each. The National Library of the Philippines as well as the University of the Philippines have plenty of cultural heritage materials; the Department of Science and Technology and the Department of Agriculture have local studies that have scientific research value; the Commission on Higher Education has studies and statistics on higher education. The digitized version of the Official Gazette issues from 1902 to the present is uploaded in the database. The Official Gazette contains Presidential issuances, laws, executive and administrative orders issued by national government agencies and its instrumentalities.

- **The University of the Philippines Diliman Library Network**

The University of the Philippines (UP) in Diliman, Quezon City Library Network is composed of a Main Library and thirty eight (38) college libraries. The UP Diliman Library Network maintains a strong collection in the fields of science, social sciences, the arts and humanities and are connected

through the University of the Philippines Diliman Network or DILNET. Also, all libraries of the constituent units of the UP System (UP Baguio, Los Banos, Manila, Visayas, Mindanao, Cebu, and UP Open University) are connected by the iLib, an integrated library system developed and customized according to library users' expressed requirements for data processing, storage and retrieval of information. It is currently being updated to accommodate the requirements of the latest standard on cataloging called Resource Description and Access (RDA).

Rare Book Collection. Books and documents comprising the Rare Book Collection number around 3,500 titles with imprint dates ranging from the 16th to the early 20th centuries. The *De Moluccis* by Maximilianus Transylvanus (Rome, 1523), the oldest printed book in the Rare Book Collection is an account of the memorable voyage of Ferdinand Magellan during the years 1519 to 1522 culminating in the discovery of the Philippines and the circumnavigation of the world. The *Doctrina Christiana* or the *Teachings of Christianity*, the first printed book in the Philippines in 1593, has been the object of a hunt which has extended from Manila to Berlin, and from Italy to Chile, for 450 years. The book was found by a bookseller and collector in Paris in 1946. It was printed xylographically, that is from one wood-block carved by hand, page by page, in Manila at the Dominican Church of San Gabriel in 1593 (Galang, 1950). The book consists of prayers in Spanish with Tagalog translation in roman letters as well as in the native alphabet. It is one of the rarest books in the world and historically documents the start of printing in the Philippines. The UP Library in Diliman has a facsimile copy. About 1602, Fr. Francisco de San Jose, popularly known as Blancas de San Jose, introduced printing by typography. He came out with his *Arte y Reglas de Lengua Tagala* that was printed in Bataan, Philippines by Tomas Pinpin, who earned the title "Prince of Filipino Printers". The other rare titles in the Rare Book Collection include the following: *Librong Pag-aaralan ng mga Tagalog ng Uicang Castilla* (Tagalog Spanish Grammar) by Tomas Pinpin and printed in 1610 by Diego Talaghay; *Vocabulario dela Lengua Tagala, El Romance Castellano Puerto Primero* by Fr. Pedro San Buenaventura, printed in 1613 in Pila, Laguna, Philippines by Domingo Loag (Agoncillo, 1952); *Relacion de las Islas Filipinas* by Pedro Chirino was printed in Rome in 1604; and *Sucesos delas Islas Filipinas* by Antonio Morga was printed in 1609 in Mexico City.

Historical Papers. These are papers that are very rich primary sources on the history of the Philippines. However, most of these are on the Japanese occupation period in the Philippines. These papers include the following: *Carlos V. Ronquillo Papers* (on Philippine revolution against Spain), *Philippine Insurgent Records, 1896-1901* (on Philippine revolution against the United States); *Luther Parker Collection* (on histories and governments of various provinces, towns, and villages of the Philippines), *Japanese Occupation Papers*, *Jose Llanes Collection*, *Panay Guerilla Movement*, *Delfin Jaranilla Papers*, and *People's Court Records, 1945-1948* (on Japanese occupation of the Philippines), and *Communist Party of the Philippines Papers*.

Vernacular Collection. The collection has a rich array of published materials and manuscripts written in the major languages of the Philippines namely Bikol, Cebuano or Sugbuanon, Hiligaynon, Iloko, Kapampangan or Pampango, and Tagalog. The bulk of the collection consists of literary works either in holograph, typescript or photocopies of original manuscripts. Some of these works were eventually published in books or periodicals which are found at the Filipiniana Books and Serial Sections of the Main Library. Researchers in Philippine literary and theater arts will relish this collection.

Theses Collection. Numbering more than 10,000 titles, the theses and dissertations are the research outputs of masters and doctoral students of the University of the Philippines. The preliminary pages, including abstracts of these theses and dissertations have been digitized and may be viewed via the portal of the Philippine eLib.

Philippine Left (Radical Papers). The Radical Papers or the Philippine Left Collection consists of mimeographed papers, leaflets, newsletters and other fugitive materials issued by the Philippine Left organizations against the Marcos administration. It covers the activities and publications of the underground movements. The Library has the 1969-1991 issues of *Ang Bayan* (The Nation), the official publication of the Communist Party of the Philippines, the 1971-1972 issues of *Bandilang Pula* (Red Flag), the newsletter of the New People's Army, and the 1984-1996 local issue editions of *Liberation* and the 1992-1997 international issue editions published in The Netherlands. These papers have been microfilmed and a subject guide has also been published. Interested individuals and institutions and libraries may have a positive microfilm copy of the papers upon request and advanced payment of a fee for both duplication and postage.

Local History File is a collection of various information about the Philippines, particularly its provinces, cities, towns and municipalities, as well as villages. Most of the materials cover the periods of the 1960's to the 1990's. The papers presented during the annual National Conference on Local and National History (1993-1996) sponsored by the Philippine National Historical Society are included in the file.

Harley Harris Bartlett Collection, 1886-1960. This is a unique collection consisting of ethnographic-historical and linguistic materials on the Philippines and the East Indies. Contained in 82 microfilm reels, the bulk of this collection consists of metrical romances in various Philippine languages. Some parts are in French, Spanish, German, English, and other languages.

Harry Whitfield Harnish Collection, 1898-1907. This is an unusual collection consisting of more than 500 glass negatives, slide plates, film negatives and prints depicting scenery, peoples and edifices from Northern Luzon to Zamboanga, Philippines at the close of the last century and the early 20th century. The photographs were taken between 1898 and 1907 that showed significant aspects of Philippine economy and socio-cultural life at the turn of the 20th century. The Harnish Collection which has been digitized, is a useful iconographic collection for researchers in the culture, history, sociology, anthropology, and local architecture of the Filipinos at the turn of the century.

Newspaper Collection. The Newspaper Collection consist of national dailies and provincial or community newspapers. Six major newspapers, namely: *Manila Bulletin*, *Manila Chronicle*, *Manila Times*, *Malaya*, *Philippine Daily Inquirer*, and *Philippine Star* are indexed. The index, which is now available free on line via the University of the Philippines Diliman Library website, includes not only entries about the Philippines and all aspects of Philippine life, including the economy, history, politics and governance, social conditions but also index entries on all aspects of the Southeast Asian countries in relation to the Philippines.

Issues and Challenges

Diversity among societies within each member country of the ASEAN Region and among member countries of the ASEAN Region is still the greatest challenge in achieving connectivity among libraries of higher educational institutions. This diversity is expressed not only in different levels of financial capabilities and collection development of these institutions but the level of technological infrastructure and expertise of the information professionals in these institutions. There is therefore a need to enhance communication links among these institutions thru training and staff exchanges, conferences and other forms of networking among themselves. AUN should be able to extend assistance to members that lack technological hardware and expertise to this end.

In terms of digitized contents, we still have to deal with copyright issues that restrict access. The institutions in the ASEAN Region should pursue the acquisition of copyright waivers and fast track the conversion of print resources to digital files.

The AUNILO Portal must be able to link institutional repositories not only of the member academic institutions and their respective libraries but also accommodate IRs of other public as well as private institutions. This will enlarge AUNILO's coverage compared to its present composition. AUNILO must also re-evaluate restrictions on access of participating institutions in the network.

Conclusion

Our digital library systems have enabled institutions in the Region to preserve their unique collections on history and culture and academic records in digitized form. Usage of these digitized resources has enhanced information services not only to the academic community but to the rest of society. The networks have not only strengthened connectivity among peoples of the ASEAN Region but also enhanced its competitiveness and resiliency. This holds true as well to individual country members of the ASEAN Region..

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ASEAN Connectivity: Infrastructure, Economic Cooperation, Educational Cooperation

India-ASEAN Connectivity and the Northeast India-Myanmar Dimension

(10)

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Abstract

Connectivity is the core issue in the emerging trend of regional integration in Asia and a strong basis for sustainable development therein. Same applies with the ever increasing India-ASEAN engagement and the growing involvement of Northeast India (NEI) and Myanmar in the scenario. India's new equation of more cooperation with Southeast Asian economies under its ambitious Look East policy calls for a proper India-ASEAN connectivity on land with an active role on the part of NEI and Myanmar. Initiatives have been taken up both in bilateral and multilateral levels to improve the linkages and to explore regional connectivity for shared prosperity. Roads, railways and multi-modal routes are being developed in order to reduce the existing missing links in between India and ASEAN. However, the issue is not only about physical infrastructure but the mindset and response of the stakeholders. Indeed intermingled with the connectivity dynamics is the socio-political and economic issues associated with NEI and Myanmar which may go for or against the initiative for connectivity, or issues that could be created by connectivity itself which may trigger negative as well as positive multiplier effects in the said region.

Attempt of the paper is more towards tracing the prospects as well as likely cleavages that need to be properly and rationally assessed and at the same time find the basis for fear and apprehension of the stakeholders based on the existing ground reality when a fully operative physical connectivity is established between India and ASEAN through NEI and Myanmar.

Keywords: ASEAN Connectivity/ Myanmar/ Northeast India/ Infrastructure Connectivity/ ASEAN and India Connectivity/ India

Introduction

Connectivity is the very essence of human civilization and growth of mankind, and a core issue in the emerging trend of regional integration in Asia. It is central to the sustainable development of a country or region as it lowers cost and increases reliability, and intermingled with it is the socio-political and economic issues associated with the stakeholders which goes in favour or against the developmental initiatives. In the broader perspective experts are of the view that sustainable and inclusive growth in the Asian region, to a great extent, could be possible only when connectivity between South and Southeast Asia is fully established. Same applies in the context of India-ASEAN connectivity with the dimension of Northeast India and Myanmar involved therein.

In 1991 India went for economic reforms followed by it Look East Policy (LEP) in 1992 directed towards the countries of Southeast Asia, and ASEAN as a grouping. A new dimension that emerges is the increasing importance of Northeast India (NEI) and Myanmar. In the new dynamics India supported all those bilateral and multilateral initiatives in the region for purpose of connectivity which signify Myanmar's geo-strategic position as India's land corridor to Southeast Asia, with India's Northeast as linkage. A proper synchronisation and synergy among the three aspects namely India-ASEAN connectivity within LEP, Myanmar link and the development of physical infrastructures in NEI is crucial for bringing a rational all round regional development. Supplement to it is the recent opening up of Myanmar which offers a new avenue for India.

The attempt of the paper, while tracing the relevance of Northeast India and Myanmar in the emerging scenario of India-ASEAN connectivity, will mostly limit itself with the prospects as well as likely cleavages associated with NEI, the tackling and development of which will go a long way in enhancing the above mentioned connectivity dimension within the broader perspective of its' Look East policy.

India-ASEAN Connectivity: The Rationale

Today, engaging ASEAN has become an important and inseparable part of India's foreign policy dynamics. Corollary to it is an effective India-ASEAN connectivity so that the opportunities generated by the growth centres of Asia could be fully utilised.

India became a Sectoral Dialogue partner of ASEAN in 1992 and a Full Dialogue partner and a member of ASEAN Regional Forum in 1996. Since 2002, it had annual Summits with ASEAN. Though economic relation between India and ASEAN is still in an early stage yet the potentials and prospects are immense and is of reciprocal nature. But then, India is gradually emerging as one of the main trade partners of ASEAN bloc. It seeks to expand its trade with the regional grouping from the current \$80 billion to \$100 billion by 2015 and \$200 billion by 2022. By the by the vast market potentials provided by India attract the ASEAN countries with an opportunity to diversify their economies. Further, engagement with India can also help ASEAN's connectivity agenda as it move for integration of ASEAN nations into a single Economic Community by 2015. In a sense all this has brought, of late, a reconciliation of India's LEP with that of ASEAN's *Look West*. Here lies the rationale.

In 2009, connectivity became a strong basis for the proposed Roadmap for a single ASEAN Community. As such, when the *Comprehensive Asia Development Plan* (CADP) was submitted to the 5th East Asian Summit (EAS) in October 2010, almost side by side with it, the 17th ASEAN Summit (28-31 October 2010) adopted the *Master Plan on ASEAN Connectivity* (MPAC). The basic underlining principle of MPAC is the importance of connectivity not only within ASEAN but also with its neighbouring countries including EAS member countries. And in continuation, the Second phase of CADP specifically selected India-ASEAN connectivity as the main theme. The basic line of thinking is to enhance partnership of ASEAN and India by improving physical infrastructure links to support cooperation across a range of sectors. The existence of a Free Trade Agreement in goods between India and ASEAN since 2009 and the recent one signed on 7 September 2014 between the two in the form of a Free Trade Pact brought forth the relevance of connectivity further.

Taking into consideration the aforesaid facts what need to be seen is how Northeast India and Myanmar fit in the overall scenario. Here Umezaki had rightly said that Myanmar and Northeast India are no longer at one end of the region to which they belong rather development strategies for the two can be the core of the regional strategy to enhance ASEAN-India connectivity

Northeast India in the Emerging Equation

Situated in the tri-junction of South, Southeast and East Asia Northeast India today has a locational importance of its own. It is in the transit of many of the newly formed sub-regional groupings with a vast amount of untapped potential. Foreign policy analyst like Rajiv Sikri believed that NEI can really develop only if it has opportunities for trading with the rest of India and with the rest of the world. Significantly this part of India has got 98 per cent border with neighbouring countries while connected with the mainland by a mere 22 km wide *Siliguri Chicken Neck corridor*. It has international borders with Myanmar (1643 Kms), Bangladesh (4031 Kms), China (1100 Kms) and Bhutan (410 Kms).

NER Vision 2020 rightly emphasised the need for refashioning the development process of NEI so as 'to ensure that the region plays the arrow-head role it must play as the vanguard of the country's Look East policy'. However, the unfortunate part of NEI in the emerging scenario is that India's economic engagement with Southeast Asia has expanded, but not to the advantage of the Northeast. Even in the existing bilateral trade between India and Myanmar the share of NEI form only about 3 percent of India's total trade with the latter. Profiling NEI is a much to understand both its foray in the ASEAN sphere as well as the issues related with it which compel India to have better relation with Myanmar.

Northeast India, consisting of eight Indian states, is one of the naturally most endowed but neglected regions in the country, though some positive change is in sight. Deficit of development, an end result of deficit in good governance, is writ large. Representing 9 percent of the country's geographical area, 3.8 percent of its total population and 3 per cent of GDP, characterised by an extraordinary mixture of ethno-cultural heritage and intertwining realities of ethno nationalism and sub-regionalism, NEI is considered to be one of the most complex regions of India with over 200 ethnic groups. Being a latecomer in the national mainstream the questions of transition and alienation always loom large in the mind of its natives – leading to anti-Indian tensions in various stages. Further, despite its unique biodiversity, hydro-electric potential, hydro-carbon reserves, forests wealth, rich soil and abundant flora and fauna, the area is slow in development because of geographical bottlenecks and lack of adequate and right type of policy implementation – thus limiting its access to national as well as international market. Nevertheless, given its strategic position, realisation has dawn on the foreign policy makers that the region can be developed as a base for India's growing economic links not only with the ASEAN but also with neighbouring countries and sub-regional groupings.

Indispensability of Myanmar

Myanmar, the largest country in mainland Southeast Asia and the only Southeast Asian country sharing land border with India, could provide the right linkage between India and the rest of Southeast Asian economies, and conceptually with ASEAN. As the only land bridge between ASEAN and India, the country, like NEI, has great potential for shaping future economic, political and security environment in this region. Hence, a smoothly functioning politico-economic cooperation between India and Myanmar has become an imperative.

First formal initiative in this direction, in the post-‘88 *Uprising*’ could be traced to the signing of an MOU on trade and economic cooperation, particularly in terms of border trade in 1994. Subsequently, the Moreh (India) –Tamu (Myanmar) Border Trade was opened in April 1995, followed by steps to materialise the Zokhawthar Border Trade Post in Mizoram State adjoining Rhi in Myanmar, which was inaugurated in January 2004. In addition, in March 2007, Government of India (GOI) approved the setting up of 5 Border Trade Centres (BTC) along the Indo-Myanmar border in the state of Nagaland. And by a notification of Government of India in May 2010 border trade at the Moreh-Tamu and Zokhawthar-Rhi border points was converted into normal trade and also expanded the list of items that can be legally traded.

Besides, Myanmar is also important in the context of India’s strong and active initiatives in sub-regional groups directed towards achieving the objective of a free trade area, a common development of infrastructures and integration of national economies in the global economy. All these necessitated New Delhi to work in tandem with Naypyitaw as Myanmar is a part of these groupings. In the overall, the complementarities is very much evident as the connectivity projects will enhance the strategic importance of Myanmar as a regional logistics and trading hub and will be definitely beneficial for Myanmar as well as India and its Northeast, ASEAN, and for the entire region of Asia.

Physical Linkage: Initiatives and Projects

The ultimate fact remains that India’s overland connectivity with ASEAN will only be through its Northeast and Myanmar. And typically maximum missing link is also in these two regions. Out of the eight states of Northeast India four has got immediate border with Myanmar. And this four viz., Arunachal Pradesh, Manipur, Nagaland and Mizoram has got outlet leading to Myanmar though the most feasible being through the state of Manipur and most infrastructure projects associated with land connectivity will pass through this state. Before the start of political reforms in Myanmar the outlet for India to Southeast Asia was almost insignificant. But it has changed for better with projects for infrastructure linkages picking up momentum.

As such Government of India has taken up various projects under bilateral as well as multilateral initiatives in the Northeast to provide a feasible and secured overland outlet for India to the said region. The first significant initiative in this direction was the inauguration of the 165 km long Tamu-Kalemyo-Kalewa Road (named *Indo-Myanmar Friendship Road*) in February 2001– linking NEI with Mandalay, through Moreh town, which was entirely financed by Government of India. Another major move in this direction is the initiative for earliest materialisation of the proposed 1360 km long *India-Myanmar-Thailand Trilateral Highway* (IMTTH) linking India’s Moreh to Mae Sot of Northern Thailand through Bagan in Myanmar. Launched under the auspices Mekong-Ganga Cooperation it was later incorporated as an important BIMSTEC project. What is to be noted here is that the alignment of this Trilateral Highway falls within the Trans Asian Highway 1 (TAR), being already pursued by UNESCAP under Asian Land Transport Infrastructure Development. Effort is also on for the development of 1726 km long “*Stilwell Road*” (the old Burma or Ledo Road). Construction and revamping of the Rhi-Tiddim road which connect Zowkhathar LCS from Myanmar side is also taken up with a grant assistance of US\$ 60 million from India.

Further, India and Myanmar is engaged in completing the missing links of the Trans Asian Railways (TAR), connecting Delhi to Hanoi, in different parts of their countries¹. Indian Railways is engaged in harmonisation of railway tracks in NEI. At present effort is going on to materialise the Jiri-Tupul-Imphal-Moreh stretch of railway track which in turn will be a part of TAR. India government has come forward and extended US\$ 56 million credit line to the Myanmar government for upgradation of 640 km railway system between Mandalay and Yangon section. Signing of the US\$ 124 million Kaladan Multimodal Transit Transport project in April 2008 to allow the landlocked NEI to have direct access to the open seas through Myanmar is another worthwhile project between the two. Ultimately, the primary effort remains in improving intra-regional as well as inter-regional connectivity on both side of India-Myanmar border. But achieving the targets call for a strict timeframe and an earnest political will.

NEI-Myanmar Connection and Socio-Political Constraints

The significance and effectiveness of NEI in the whole issue of India-ASEAN engagement to a great extent depend on how India deal with transnational dimension of this region which brought to its fold both problematic as well prospective facets, specially associated with Myanmar. In fact the most immediate demand at the moment is that of understanding the internal dynamics or cross currents that took the form of socio-political cleavages.

While efforts to reduce Chinese influence, economic and trade engagement, energy cooperation, tourism development, and sharing in social infrastructures like health and education are the positive outcome of increasing mutual relationship between India and Myanmar, there are also many grey areas, especially in the context of NEI, which need proper tackling from both for further enhancement of ASEAN-India connectivity. Not to mention of the problems of physical nature present in the whole scenario in the form of bad roads, absence of harmonisation of rail networks, difficult modes of transportation etc., there are other so called ideological and psychological based negativities. As such one could see many socio-political constraints raising its tentacles as obstructive cleavages in India's Northeast, which in turn put brakes to the ongoing connectivity projects. These are in the form of law and order problem manifested in insurgency, restlessness on the part of the general local populace, deficit of transparency and lack of good governance.

The existence of endemic insurgency, small arms trade and narco-trafficking posed serious law and order condition in NEI which too certain extent compelled policy makers to look towards the same always from a security perspective and put a hold on them to go freely for other initiatives. In the absence of proper controlling mechanism the number of multilateral and bilateral cooperation initiated by India touching this region become less practical. Connectivity itself becomes difficult. To take an example, the date for the start of Imphal-Mandalay bus service was differ again and again till date. Myanmar is a decisive factor in dealing with these issues.

Indeed, insurgency in Northeast is sustained most by the availability of cheap weapons and easy sanctuary from the Myanmar side. As such, since 1993, the issue of India's insurgency linked security concern in its Northeast form an important part of any bilateral talk between the two countries. Aggravating the already complex situation of insurgency in NEI is the influx of small and light weapons (SALW) from Southeast and East Asia through Myanmarⁱⁱ. To add to all these security problems is the heavy incidence of narco-trafficking which originated from Eastern and Northern Myanmar. Ultimately, collateral damage in the form of mass scale drug addiction and AIDS/HIV has become a common happening in the region.

Another more complex aspect is the apprehension of the likely outcome of LEP and the *Corridorisation Syndrome* that has settled in the mindset of the local people, when NEI opened up to Southeast Asia. The local stakeholders feel that in the absence of strong economic base and proper mechanism to synchronise the new developments the region may be swept away by big business forces from other parts of the country itself and that it may just be left as a corridor with no benefit at all. This may be one factor which led the demand for restoration of Protected Area Permit (PAP) and Inner Line Permit System (ILPS) in the border state of Manipur.

Now tragically these two are again link with the high degree of deficit in transparency and lack of good governance and vice-versa. A gap is always evident of what people hope and the policies of the government, leading to policy failure.

Ultimately, these are a mixture of issues which either hamper the connectivity process or could be an outcome of connectivity itself. Dealing with the problematic issues for removing the negativities and the prospective one for further speeding up growth, is a much. For better or for worse, proper synergy between NEI and Myanmar thus calls for an understanding of these facets and dealing with them thereof with all seriousness so that a proper India-ASEAN land connectivity could materialise.

Assessment

In the context discussed the intertwining nature of ASEAN, India and its Northeast, and Myanmar became very evident with Myanmar and NEI having a decisive role of its own. The implication is very much clear. Emphasis on India-ASEAN economic cooperation could not downplay the socio-political and security dimensions. Political and security issues still form the basis of economic cooperation among many of the

member countries. So, what needs to be taken care is that bilateral political and security issues are not allowed to derail the multilateral initiatives and the inherent economic synergies.

But having said all these, in the context of NEI, the main hurdle is the disconnect between people's aspirations and the initiatives of the decision makers, the gap between policy and ground reality. This situation need to be properly overcome so that the opportunities and the prospects provided by region could be fully utilised for shared prosperity with its immediate and distant neighbours. Coming up with a clear cut policy framework for NEI vis-à-vis Myanmar by the Government of India, beyond generally ambiguous stand and security angle, will go a long way. Myanmar on its part also needs to respond to the initiatives pragmatically and rationally. Over and above more people to people contact without compromising their area specific ethnic and cultural uniqueness is a much. Ultimately, whosoever is associated with framing policy alternatives in this evolving regional dynamics of Asia need always to understand the culture and psyche of the general masses, the local stakeholders. Then only can NEI be an important contribution in India's improving relations with Myanmar and rest of Southeast Asia and the reciprocities therein, which in itself will be an important contribution in bridging the gap between India's 'Look East policy' and ASEAN's 'Look West policy'. This, in turn, will gradually pave the way to a more vibrant India-ASEAN engagement where a pragmatic and well developed connectivity became part and parcel of the whole equation.

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The agreed route of IMTTH (1360 km) is identified as follows: Moreh (India)–Tamu–Kalewa–Chaungma–Yinmabin–Pale–Kyadat–Lingadow–Pakokku–Bagan–Kyaukpadaung– Meiktila bypass–Taungoo–Oktwin – Payagyi – Theinzayat – Thaton–Hypaan– Kawkareik–Myawaddy–Mae Sot (Thailand).

The five places identified for setting up the BTCs in the Nagaland State of India are *Lungwa* in Mon district, *Pangsha* in Tuensang district, *Mim* in Kiphire district, *Mohe* and *Avangkhu* in Phek district.

The Tamu-Kalemyo-Kalewa Road (named *Indo-Myanmar Friendship Road*) is to be a part of the Trilateral Highway.

Readiness for Special Economic Zones: A Case Study of Mukdahan Province

(11)

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Abstract

To prepare our country to ASEAN Economic Community by 2015 the National Council for Peace and Order (NCPO) has declared Mukdahan as one of the five border areas to be developed as special economic zones due to its location of the second Friendship Bridge which links Thailand to Savannakhet province in Laos PRD and its long-standing cross-border trade between the two countries. To be a hub of ASEAN Connectivity, it is essential to study the readiness of infrastructure in Mukdahan province to support ASEAN Economic Community in 2015 for example, energy, transportation, railway links. In addition, to connect with others we have to study from fact information that we have and forecast for the future.

Therefore, this paper aims to study and evaluation for the readiness of Mukdahan province for Physical Connectivity by using SWOT Analysis in order to discuss Strengths and Opportunities, Weaknesses and Threats so as to prepare ourselves for this change. Necessary information is needed for the formulation and the accomplishment of the effective support in this particular area and in the long run the impact for regional connectivity that not only for economic growth but also finally expand to Institutional Connectivity and Institutional Connectivity as the aim of Master Plan on ASEAN Connectivity (MPAC)

Keywords: Special Economic Zones/ Physical Connectivity/ Infrastructure/ Mukdahan/ Thailand

Introduction

On 24 October 2009 on the ASEAN Leaders Statement on ASEAN Connectivity has been issued in Hua Hin, Thailand as well as the adoption of the Master Plan on ASEAN Connectivity establishes a list of prioritized matters activities for the ASEAN Member State have to implement within the timeline. (Master Plan On ASEAN Connectivity, 2011, p. i) The Physical Connectivity is called for the first priority because it links to other Connectivity such as trade, investment, development and tourism. So that ASEAN member transport linkages have to concurrent for each other. The Master Plan on ASEAN Connectivity has a goal of enhanced ASEAN by developing physical infrastructure development or Physical connectivity that “To develop an integrated and well-functioning intermodal transport, ICT and energy networks in ASEAN and the wider region”. (Master Plan On ASEAN Connectivity, 2011, pp.i,5)

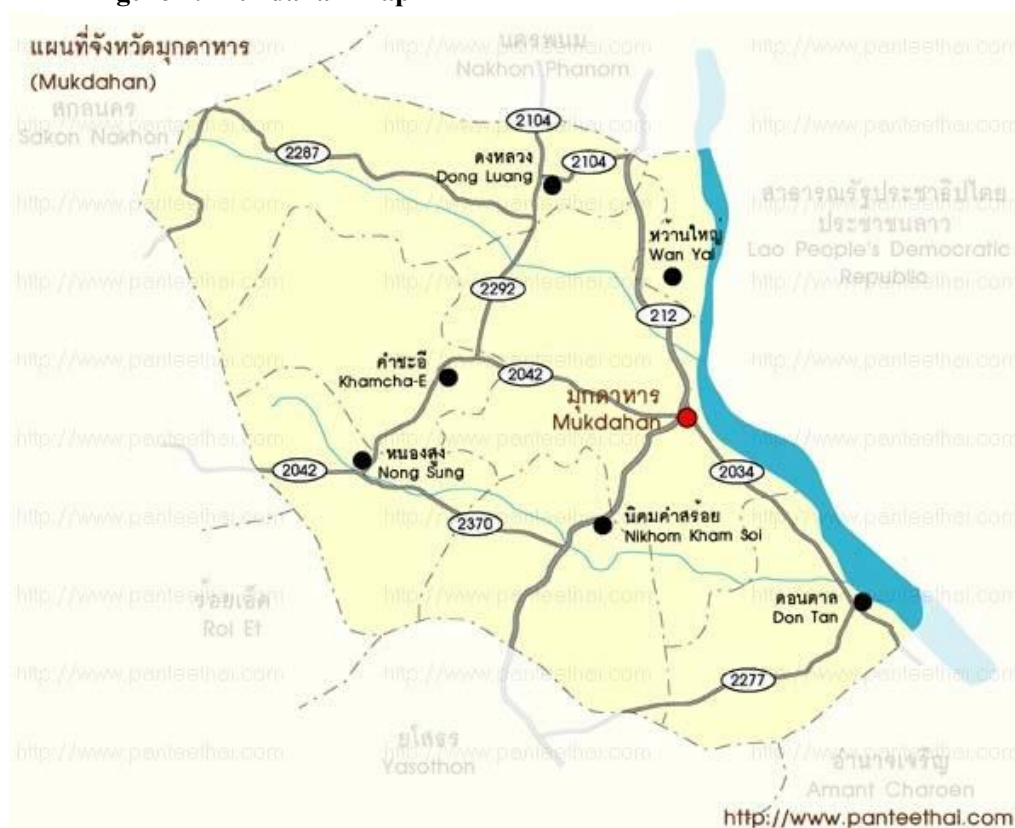
From 2003-2008, Thailand has prepared for Physical Connectivity to build a community. Thailand provided finance and technical assistance to neighboring countries through various subregional cooperation frameworks. Two-thirds of this assistance has been allocated to the construction development projects in the region. A few examples of Thailand's contributions include the third and fourth Mekong bridges connecting Thailand with Lao PDR. Will an aim to increase cross-flow in good, service and people-to-people in the ASEAN Member. (06/05/2010)

Mukdahan is a province in the northeastern of Thailand. It's located between Nakhon Phanom and Amnat Charoen for the eastern borders lies and is opposite to Savannakhet Province of Laos PRD. It has been of promoted as one of the five border areas to be developed as special economic zones by the National Council for Peace and Order (NCPO) from a meeting of the Committee on the Special Economic Development Zone Policy on 15 July 2014. The National Council for Peace and Order (NCPO) is meeting concluded and declared the plan to develop of special economic zones, these five areas has been designated as an urgent agenda for immediate implementation in 2015. These five border areas are Mae Sot District of Tak Province, Mukdahan Province, Aranyaprathet District of Sa Kaeo Province, Trat Province and areas surrounding the Sadao and Padang Basar customs checkpoints in order to support The ASEAN borders linkage and prepare for becoming part of the ASEAN Community in time (National Broadcast, 2014)

Mukdahan has seven districts. The northern border links with two provinces, Sakon Nakhon province and Nakhon Phanom province where across to Khammouan a province in Lao PDR. The Southern border links with three Provinces Yasothorn, Amnat Charoen, and Roi Et. The western border links with two provinces are Kalasin and Roi Et. Beside the eastern border is the location of the second Friendship Bridge which links Thailand to Savannakhet province in Laos PRD and facilitate the long-standing cross-border trade between the two countries. As shown in the Mukdahan Map in Figure 1, the local people of Mukdahan has a long relationship

with the people in Savannakhet province of Lao PDR and it can be implied that a significant gateway to link with Indochinese countries. (Nucharee Supant 2012, P.243)

Figure1 : Mukdahan Map



Source: www.panteethai.com

SWOT Analysis is used in this paper analyze the strengths, weaknesses, opportunities and threats in order to develop Mukdahan province to be a special economic zone and the basis for formulation and the accomplice of the effective support in this particular area, which have driven the physical framework to be a completed physical connectivity and impact of physical connectivity in the future.

Operations for Physical connectivity Plan of Mukdahan

A frame of Physical connectivity on the Master Plan on ASEAN Connectivity requires for hard infrastructure in transport, ICT and energy (Master Plan On ASEAN Connectivity, 2011, pp.11) for Mukdahan s a part of the Physical connectivity plan. The infrastructure can be divided as follows:

1. Land and Air infrastructure Development

- Road

The construction of the ASEAN Highway Network (AHN) Missing Links and Upgrade of Transit Transport Route support the linkages among ASEAN Member through ASEAN Highway Network Project to link intra ASEAN members the project plan is to standardize the road network.

On The Master Plan on ASEAN Connectivity is to develop AHN with the time flame there stages. The First Stage is to complete the Network configuration and designation of national route by 2000, The Second Stage is to upgrade all of routes to be Class III road standards, install road sing and the missing links should be operated and built for cross border point by 2004. The Third stage is to upgrade routes to Class I standard. The traffic of non-arterial route should be Class II standard for both of the projects will be end by the year 2020. (Master Plan on ASEAN Connectivity 2009: pp.11)

From AH Routes Thailand is a central of the Greater Mekong Subregion.(GMS Economic Corridors) Mukdahan is a point of linkage on AH16: Tak-Khon Kaen-Mukhdahan total 689 Km links with Suwannakhet province in Lao PDR and AH121: Mukdaharn-Yasothon-Buriram –Sakao: 421 Km.(ASEAN Connectivity Project information sheet, 2012)

AH16 and AH 121 connect East - West Economic corridors in Greater Makong Subregion :(GMS. Project) On SUBREGIONAL ROAD PROJECTS R2: East-West Economic Corridor (EWEC) 1,320 km Malamang-Mae Sod – Tak – Sukothai –Phisanulok- Khon Kaen Mukdahan-savannakhet-Lao bao in Lao PDR -Dong Ha- Danung in Veitnam. Both routes are a part of regional road network will become integral for ASEAN Physical Connectivity.

To Improve the missing linkage to be Class I,Mukdahan has two projects for AH121 Mukdahan – Nakhonpranom 23.199 Km improving to be 4 lanes. and AH 12 , to be improved 4 lanes between Mukdahan – Kalasin 107 Km. expect to complete by 2017(Mukdahan Governor's Office, 2014)

- **Rail Infrastructure**

To extend railway network in Thailand and support ASEAN Physical Connectivity. The State Railway of Thailand (SRT) has started a plan by the preliminary study on route Banpai –Mahasarakham- Yai-Roi Et-Mukdahan-NakhonPhanom line 347 Km final in borders Laos on the Khamoun Province or the Tha Khaek distric, this line links from Khonkaen- Nongkai for the destination to connect Vientiane province in Lao PDR this project is on desingnation and survey route implementation (Mukdahan Governor's Office,2014)

- **Air Transport**

On Physical Connectivity Air transport is the importance mode to support the ASEAN linkage. Travelling Mukdahan is possible by Air transport to either Ubon Ratachathani Airport or Nakhonphanom . Both Airports are domestic Airports. Air transport should be a choice. By improving Leng Nok Tha Airport.The process is on budgetary of Department of Civil Aviation,Thailand. (Mukdahan Governor's Office,2014)

2. ICT Infrastructure Development.

To support Physical Connectivity Plan for Broadband technologies in use in Thailand Internet and telephone coverage and usage in Thailand, ICT infrastructure is a part of Physical connectivity. In Thailand for ICT infrastructure is the responsible of Electricity Generating Authority of Thailand by INTERMEDIATE PLAN: Trend of high speed data communications and IP applications and FUTURE PLAN : Unified network via IP supporting fast real-time applications (Future trend of ICT infrastructure for network operation, 2012) Mukdahan is following policy and a plan of Thai government in rural broadband development. (Mukdahan Governor's Office, 2014)

3. Energy Infrastructure

ASEAN cooperation in the Energy Sector has been guided by a series of Plan of Action including the ASEAN Plan of Action for Energy Cooperation (APAEC) 1999-2004, APAEC 204-2009 and APAEC2010-2015 for the ASEAN Power Grid(APG). The challenge for the ASEAN member is to implement action plans on energy security with the increase in demand for electricity (Master Plan On ASEAN Connectivity, 2011, pp.16)

Mukdahan has a plan to establish electrical installation in the location between Mukdahan and Nakhonpranom on project of high voltage on Road No. 238 and project of building the second electric control station.(Mukdahan Governor's Office,2014)

The physical connectivity in Mukdahan from this information aims to study and evaluate the readiness of Mukdahan province for Physical Connectivity by using SWOT Analysis in order to discuss Strengths and Opportunities, Weaknesses and Threats so as to prepare ourselves for this change in 2015.

SWOT Analysis

Readiness for Special Economic Zones: A Case Study of Mukdahan province to prepare Physical Connectivity for the formulation and the accomplice of the effective support in this particular area and in the long run the impact for the regional that will be analyzed of Physical Connectivity of Mukdahan.

SWOT Analysis is the tool for understanding Strengths, Weaknesses from its self and Opportunities, Treats for estimate your status in the future. (SWOT Analysis:Discover New Opportunities. Manage and Eliminate Threats, 2014, online) SWOT Analysis to look inside Mukdahan in an advantage by Strengths and Opportunities and Treats and Weaknesses to challenge for stakeholders.

- Strengths and Opportunities

As a plan of The Master Plan on ASEAN Connectivity, the plan for physical connectivity is completed in 2015. If all physical connectivity is completed in a timeline, Mukdahan will be benefited and prepare itself as following

- Mukdahan will be a hub for Tourist industry from development of the transportation and infrastructure especially when the cross-border roads is was opened to welcome the international visitors as well as when the opening of the new Asian Highway.
- Consequently local investment should improve themselves to a high-quality accommodation available with a range of new boutique hotels and resorts which are perfect for small, exclusive groups of travelers seeking to explore the delights of the region.
- Cross-border economy will be expand because the integration is substantial by AHN Roads and the second friendship Bridge , Export Business both private and public sector will benefit from open physical connectivity as un condition of transportation , The Enterprise can be consequently easier access to the new market.
- Whit the development of the transportation and infrastructure local entrepreneurs should prepare themselves by seeking for Partnerships in other ASEAN members to work together to make sure that the business will be established and valuable for the potential
- labor costs will be reduced because the impact of opening Physical Connectivity is the influx of laborers from our neighbor country who are able to work at the working rate in Lao PRD which is cheaper than Thai workers.
- Transportation cost will reduced for the Entrepreneurs because the new routes can reduced the long way of logistic. The Entrepreneurs will save on energy, time and labor in the process of transportation .
- The more job will be available for people in Mukdahan from tourist industry and the increased demand for Skill Worker in the industrial and other related business for example hotels, resorts, restaurants.

Threats and Weakness

Focused on Physical Connectivity, Threats and Weakness for Mukdahan is a challenge for the Government to improve the province to be a hub of region , as Threats and Weakness of Mukdahan are following :

- The profitability should consider and focus on the future predictive modeling because when the physical connectivity has been completed in 2015 at that time many business competitors will compete in Thailand.
- As the physical connectivity can link ASEAN members so some cross- border crime such as drug, murder and human trafficking could be more prevailed. There for the Government should consider the international law among ASEAN members for a prevention and created a plan for the issue in the future.
- The opinions of different stakeholders should be concerned to the development particularly by providing indispensable information for the administration and management of the border in order to develop Strategy of the Province to link with regional economy.
- People in Mukdahan should be aware for labor movement among the ASEAN member so that they can prepare for the Language especially for English to communicate among the member.
- The Provincial Government should prepare themselves to urban expansion. When the physical connectivity is opened Mukdahan will have more populations living in the province. To manage the province for sustainable management plan is important especially for environment management, facilities service, demand for the future that should be related with the budget and balance for expenditure.
- The Enterprises should improve knowledge, quality of good and service to reach international standards.
- For the logistics business in Mukdahan province, the entrepreneurs registered for international cargo transportation have to adjust themselves for the new trend of cargo, logistic and warehouse especially the service point property yard goods and Cargo loading in the future.

Conclusion

Physical Connectivity is the basic for the ASEAN cooperation to be a community. This paper studies the readiness of Mukdahan province for a special economic zones. It shows that developing Mukdahan Physical connectivity, will provide the advantages by Strange and Opportunity to develop the province for tourism, border trades, employment and transportation but Challenge for thread and weakness for future profitability should also be considered such as business competitors and cross- border crimes, Strategy of the Province should be based on all the stakeholders, The Provincial Government should prepare themselves to urban expansion. The Enterprises should improve themselves to reach the international standards.

All information will be the advantages if they have a short-term urban development plan and long-term plan to coordinate the arrangements for the city's development and the growth in the future.

Not only does Mukdahan get the advantages but also ASEAN members are connected together. Mukdahan will be a hub of this ASEAN Connectivity if the plan of Physical connectivity is completed on time ASEAN Connectivity can be expand and regional national physical, institutional and people-to-people linkages and finally all linkages can be achieved the aim of Master plan on the ASEAN Community.

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Japan-Mekong cooperation and Cambodia: Toward narrowing the development gaps with in ASEAN

(12)

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Abstract

The development gap within ASEAN countries, the gap between CLMV countries and other ASEAN-6 countries, is one of the crucial issues to achieve the further economic integration of the ASEAN. This has been pointed out repeatedly by ASEAN leaders since the early 2000s, and now it is more important because of the realization of AEC in 2015. Toward narrowing the development gap, ASEAN itself and ASEAN/Mekong's partner countries such as Japan, has established various economic cooperation schemes and make much effort such as connecting the missing links for promoting the economy of CLMV countries. Mekong countries themselves also are trying to seek for the cooperation in bilateral or trilateral ways to develop their countries, not only the border areas along the economic corridors but also remote provinces along the border.

In my paper, I would like to focus mainly on Cambodia and its economic cooperation with the neighbouring countries and other regional countries in last 15 years and would like to review how they are working together and their actual impact on development.

Keywords: Economic Cooperation/ CLMV Countries/ ASEAN plus 6/ Cambodia Economic Cooperation/ Cambodia

Introduction

Narrowing the development gaps within ASEAN is the most important challenge to furthering economic integration. In 2000, ASEAN launched the Initiative for ASEAN Integration (IAI) to accelerate economic integration and to promote the economic and capacity development of newer member countries, such as Cambodia, Laos, Myanmar and Vietnam (CLMV), which are located in the so-called Mekong region.¹ Japan, as well as other donor countries, such as the US, China, and the EU, have supported the countries in the Mekong sub-region both bilaterally and multilaterally.

With the cooperation of ASEAN, the assistance of big donors, energetic private sector activities, and their own efforts, CLMV in the Mekong sub-region have experienced higher economic growth and have increasingly integrated with ASEAN and the world since 2000. However, the development gap between these countries and ASEAN remains serious, and these countries need drastic assistance.

In this paper, we first review briefly the last 15 years development in the Mekong sub-region and Japan's economic cooperation in this region. We also review Japan's economic cooperation and diplomatic relations with the Mekong sub-region. In the early 2000s, Japan focused on poverty reduction. However, it now intends to expand its efforts to be more comprehensive, including the private-sector development in order to promote trade and investment, while continuing to assist in reducing poverty in the sub-region. In the last, we briefly review the Cambodia's attitude and experience in the context of the development cooperation in the Mekong sub-region.

Development history of the Mekong sub-region

In the Mekong sub-region, CLMV suffered from civil war and political instability for many years. Consequently, the development indexes of these countries are much lower than those of countries in the original ASEAN agreement. CLMV did not join ASEAN until the mid- to late 1990s.

In 2000, the GDP per capita of CLM was less than 300 USD and that of Vietnam was 400 USD. In contrast, in 2000, the GDP per capita of Thailand, a neighboring country, was almost 2,000 USD. Throughout the 2000s, CLMV showed high economic development, and in 2012, the GDP per capita was 1,000 USD, except Cambodia, which reached 1000 USD in 2013. However, the GDP per capita of Thailand was 5,000 USD in 2012.

¹ In this paper, the Mekong region will include CLMV and Thailand.

ASEAN considered that the development gaps between its original and new members would disturb the further economic integration of the ASEAN. Therefore, it launched the IAI in 2000 to accelerate the economic integration of the ASEAN and to promote the capacity for economic development of the new member countries of CLMV in the Mekong sub-region in order to narrow the development gap and promote integration.

In addition to ASEAN, many frameworks, including Cambodia, Laos, Myanmar, Vietnam and Thailand, have attracted the geographical interest of big donors, such as China, Japan, the US and so on. Thus, since the 1990s, cooperation schemes have been designed to promote economic development in the Mekong region. GMS is the most famous. Others are ACMECS, the Mekong River Commission (CLTV), AMEICC (CLMVT, ASEAN and Japan), Japan-Mekong (CLMVT and Japan), LMI (CLVT and the US), and so on. Because many schemes co-exist but are not coordinated, some have called this situation “Mekong congestion.” (Shiraishi, 2010) Because the countries in the Mekong region are not rich enough to fund their development, they have to invite outside donors. This unequal relationship has led to a congestion of outside support. To avoid the duplication of assistance efforts, resources should be used more effectively, and multi-layered cooperation should be promoted. The relevant countries and organizations have sought opportunities for dialogue in order to devise comprehensive plans that prioritize development projects in the Mekong region, such as the Master Plan of the ASEAN Connectivity (ASEAN Summit, 2010), the Comprehensive Asia Development Plan (ERIA, 2010), and so on.

Japan’s economic relations in the Mekong sub-region

Japan has been an essential donor in the Mekong sub-region. A review of Japan’s ODA disbursements in the last 10 years (2003-2012) shows that the Mekong sub-region has been regarded as a strategic area for Japan’s ODA and has increasingly attracted Japan’s ODA. In 2003, the Mekong countries received 6% of the total amount of Japan’s ODA per year;² however, in 2012, they received 19% (Ministry of Foreign Affairs of Japan, White Paper.).

Reflecting the higher economic growth in the Mekong sub-region, not only the amount of ODA but also the amount and the number of FDIs from Japan increased in the late 2000s and after the financial crisis in 2010. Thailand has attracted Japanese investors for many years, and Vietnam began to admit Japanese companies in the 1990s. CLM finally started to attract Japanese investors in the 2000s. In the early 2000s, there were few Japanese companies in Cambodia or in Laos. In Cambodia, there were less than 30 members of the Japanese Business Association in 2004. However, this number rose to more than 100 in 2012. In 2005, Japanese business newspapers published 60 articles about CLM; however, in 2013 there were 327 articles about CLM, 204 articles about Myanmar, 82 articles about Cambodia, and 41 articles about Laos.

In 2003, the government of Japan formulated a new ODA charter, which strengthened the focus on Japanese interests, as well as poverty reduction and human security, which are universally important topics. The charter states that ASEAN is a priority for Japan’s economy (Ushiyama, 2014). Within ASEAN, the Mekong sub-region includes various aspects that the Japanese ODA charter included, such as poor areas like CLV-DTA and growth-oriented areas along the economic corridors that connect Thailand. There is an agglomeration of Japanese companies in these corridors, as well as in Vietnam and Myanmar.³ Therefore, the Mekong sub-region succeeded in attracting more ODA from Japan. (Of course, there are geopolitical reasons for the competition with other big donors in this area, such as China).

Japan–Mekong/CLV–Japan cooperation

Since the 1990s, after the peace agreement in Cambodia, Japan has assisted the Mekong countries either bilaterally or through GMS. In 1993, Japan initiated the Forum for the Comprehensive Development of Indochina. However, it gradually became inactive. Japan reopened official, direct dialogue with the Mekong sub-region in the early 2000s.

Japan’s assistance to the CLMV countries was included in the Tokyo Declaration (2003) at the ASEAN-Japan summit in that year. It supported the further integration of the ASEAN, and Japan was ready to support CLMV in capacity development, as well as the comprehensive development of the Mekong region.

² The total amount here includes grants and loans, and not repayment.

³ East–West Economic Corridor from Bangkok to Danang via Laos and Southern Economic Corridor from Bangkok to Ho Chi Minh City via Cambodia.

The first step in Japan's dialogue with the Mekong sub-region was an ad hoc dialogue between Japan and CLV, which began with the first meeting in 2004 and later developed into a regular dialogue between Japan and all Mekong countries—Cambodia, Laos, Myanmar, Vietnam, and Thailand⁴. This dialogue originally focused on poverty reduction in the CLV Development Triangle Area (CLV-DTA), which is the poorest area in the Mekong sub-region. It later focused on not only poverty reduction but also industrial development and economic integration, based on the better connectivity in this area.

In 2004, the CLV and Japan's foreign ministers meeting was held for the first time in Vientiane, Laos. CLV asked Japan to support development projects in the CLV-DTA, which called for cooperation by the three countries to promote their border areas. In November 2004, at the first CLV-Japan summit meeting, the then Prime Minister of Japan agreed to pledge 20 million yen to support development projects in CLV-DTA. Japan asked the CLV ministers to support Japan's proposal for reform of the UN, including the expansion the UN Security Council's permanent and non-permanent membership. During the following year, at the second foreign ministers meeting in KL, Malaysia, Japan promised to pledge 2000 million yen for 16 projects in the triangular border area of the three countries. These included small hydropower plants, education, and infrastructure projects.

In the early stage, assistance to CLV countries focused on the CLV-DTA. However, at the CLV-Japan summit in December 2005, the leaders agreed to expand their cooperation. Japan declared new initiatives for Japan's CLV assistance at the summit, which included the following: 1) assist projects for poverty reduction, including the projects in the CLV-DTA; 2) assist in avian flu prevention; and 3) promote trade and investment by the private sector. Based on these initiatives, in 2005, Japan pledged a loan in yen for the SEZ development project in Cambodia, and so on. In 2007, under the ASEAN-Japan Integration Fund, which aims to reduce the socio-economic gap within the ASEAN, 20 million USD was allocated to the development of CLV-DTA. It also supported education, irrigation, and infrastructure development in the CLV-DTA. Health centers and an agricultural technology center were also supported by this fund.

In 2008, the CLV-Japan cooperation framework was developed as the Mekong-Japan Cooperation, which includes Myanmar and Thailand. The Japanese government at that time promised to ensure further cooperation in the Mekong sub-region. This was the first time that Japan had officially defined these five countries as "Mekong" region countries, thus distinguishing them from GMS members, which include the provinces of China. One year before Mekong-Japan cooperation began, in January 2007, at the CLV-Japan foreign ministers meeting, the Japan-Mekong Region Partnership Program was established to extend the cooperation throughout the Mekong region. Japan had already promised the following: 1) to expand ODA to the Mekong Region, 2) to hasten bilateral investment agreements with Cambodia and Laos PDR; and 3) to hold Japan-Mekong region ministerial meetings.

In November 2009, the first Mekong-Japan Summit Meeting was held in Tokyo. In the Tokyo Declaration, the leaders agreed to *establish a new partnership for a flourishing common future* and agreed on the Mekong-Japan Action Plan 63. They decided to hold a summit meeting every year and one meeting every three years in Tokyo. As Green Mekong for the environmental cooperation, and MJ-CI for the cooperation involving the private sector started in 2010, the Mekong-Japan cooperation expanded the scale after the summit started. In April 2012, the leaders agreed to the Tokyo Strategy 2012 for Mekong-Japan Cooperation, which updated the former action plan 63 and placed greater emphasis on connectivity, trade/investment, and human security.

Cambodia's cooperation with the neighboring countries

Because stakeholders' initiatives are necessary to maintain cooperation schemes, I would like to mention the initiatives by the receiving countries. Of the Mekong countries, Cambodia is one of the biggest

⁴ The main objectives of the CLV-DTA are as follows: 1) coordinate the infrastructure development plans of the three countries with the aim of supporting the requirements of key economic activities in the Development Triangle, such as the development of agriculture and processing industries, power industry, tourism, and trade; 2) exploit the agricultural, forestry, and tourism potentials to promote the growth of the entire Development Triangle right from the beginning; 3) build human resources for the economic sectors of the Development Triangle with the highest potential, such as agriculture, tourism and related supporting industries, and small and handicraft industries; 4) facilitate the cross-border flow of goods, people, and investment capital within the territory of the CLV-DTA through close coordination and a combination of customs and entry procedures, removal of obstacles to movement of the people, such as visa requirements, and ensure a consistent application of legal documents and trade regulations. To achieve these objectives, they also agreed to promote the following areas: a) investment promotion; b) trade facilitation; c) cooperation with enterprises; d) the industrial master plan; e) SME development; f) human resource development; and g) rural development (CLV-DTA Portal site).

beneficiaries because its location, which includes the Southern Economic Corridor between Bangkok, Thailand, and Ho Chi Minh City, Vietnam. It is also one of the host countries of CLV-DTA, where the poorest areas in the region are.

The CLV-DTA was originally started in 1999, based on an initiative by the Prime Minister of Cambodia, Mr. Hun Sen. In addition to assistance to poor areas, Cambodia succeeded in receiving funds to support major infrastructure in the context of the Mekong cooperation, such as roads and ports. It was designated a Special Economic Zone in Japan's cooperation in the Mekong sub-region.

In addition to cooperation with CLV, Cambodia also proposed cooperation with another three countries in border area development, which was designated the Emerald Triangle Cooperation. It was proposed by Cambodia in 2000 to promote tourism and agricultural development in the border areas of Thailand, Cambodia and Laos. However, by the mid-2000s, it almost disappeared because of the lack of funding and the deteriorating bilateral relationship between Cambodia and Thailand. However, ACMECS and other schemes later took over the role of the Emerald Triangle cooperation, which led to the "Mekong congestion." Nonetheless, with selection, strong institutions, and strong financial sources, Japan's support of CLV-DTA could survive.

Concluding remarks

The Mekong sub-region has attracted assistance and investment from outside countries. It has also tried to narrow the development gaps within ASEAN. Although the development gaps remain, CLMV in the Mekong sub-region have succeeded in attaining remarkable economic growth in the last 15 years. As one of the big donors in this region, Japan has expanded the amount of assistance and investment, and to accelerate this development, it has continued a regular dialogue since the early 2000s. Cambodia, as one of the Mekong sub-region countries, has benefitted from this cooperation. In addition to receiving support, it has proposed new schemes to benefit this region. However, without outside financial support, it is difficult to continue to achieve certain goals.

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Mekong-India Economic Corridor as a Land Bridge¹

(13)

Ikumo Isono, IDE-JETRO

Abstract

This paper focuses on Mekong-India Economic Corridor as a Land Bridge. The author developed the simulation analysis by the geographical Simulation Model (IDE/ ERIA-GSM). The study found out that there is a strong policy implication that the Dawei project is vital to further development of the Mekong Region, notwithstanding the current reforms in Myanmar. It needs the international or regional cooperation in helping Myanmar and the Dawei because the economic impacts of Dawei project will prevail in East Asia .

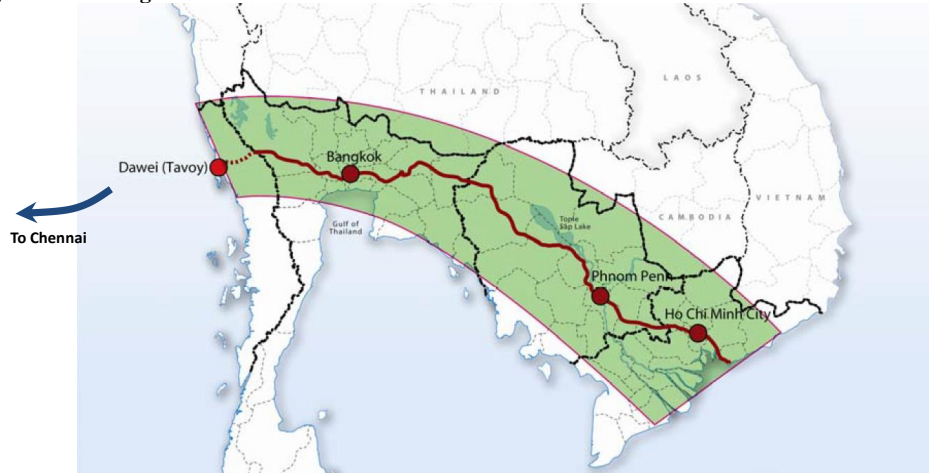
Keywords: Mekong-India Economic Corridor/ Land Bridge/ Dawei Project/ Myanmar

Background

Enhancing physical and institutional connectivity is no doubt one of the essential measures for ASEAN to deepen the economic integration, to strengthen ASEAN's competitiveness and to enhance people-to-people connectivity. ASEAN Economic Community (AEC) Blueprint, Master Plan on ASEAN Connectivity and Brunei Action Plan clearly emphasized the importance of hard infrastructure development and transport facilitation, and specified the prioritized transport facilitation measures (ASEAN 2009, 2010a and 2010b). ASEAN Member States have signed three framework agreements on transport facilitation toward the full operationalization by 2015. The mid-term review of AEC Blueprint examined the implementation status of the measures and discussed the difficulties in implementation (ERIA 2012a).

Simulation analysis by the Geographical Simulation Model (IDE/ERIA-GSM), which jointly was developed by Institute of Developing Economies, Japan External Trade Organization (IDE-JETRO) and ERIA, revealed that development of the Mekong-India Economic Corridor (MIEC) had a larger impact on the Mekong region than the other GMS economic corridors, i.e., the East-West Economic Corridor (EWEC) and the North-South Economic Corridor (NSEC) (ERIA 2010). While the MIEC is promising, there remain two missing links with the MIEC: (1) Transit transport between Bangkok and Ho Chi Minh City, and (2) the Dawei deep seaport and a link between Dawei and Kanchanaburi (Figure 1). IDE/ERIA-GSM suggested that firms want to utilize those links and the development of the links will boost the economic activities in the Mekong region.

¹ It is a modified version of an inception report on "Mekong-India Economic Corridor as a Land Bridge", submitted to ASEAN Transport Facilitation Meeting.

Figure 1: Mekong-India Economic Corridor and Dawei

Source: Authors modified from ERIA (2009).

As far as trade and transport facilitation concerned, AEC measures have been not well implemented yet while production networks are expanding and becoming more sophisticated using various new and existing trade and transport facilitation measures. In Vientiane, Lao PDR and Bavet, Cambodia, Thai and Vietnamese trucks can pick up the cargo from the industrial estates in Lao/Cambodian side to ship the products to Thailand and Vietnam, respectively. Especially, the Mekong region is a forerunner of ASEAN in terms of transport facilitation. There are bilateral MoUs between countries and the cross-border transport agreement (CBTA) led by ADB. Several agreements in CBTA were taken into force but it's not well utilized.

In fact, the Dawei project² and ASEAN-India connectivity have been noted as a promising area for development. ERIA (2009) proposed the MIEC and analyzed the possible impact of the corridor development. As mentioned earlier, the Comprehensive Asia Development Plan (ERIA, 2010) compared the economic impacts of the NSEC, the EWEC and the MIEC developments and concluded that the MIEC offers the largest potential contribution to regional economic growth. The missing links between Dawei and the Maesamee pass (Phu Nam Ron) was designated as a part of a prioritized project for ASEAN Connectivity (ASEAN 2010). The Comprehensive Asia Development Plan Phase II project (Kimura and Umezaki, 2011) highlighted several potential links in ASEAN-India Connectivity such as the MIEC and the Trilateral Highways. All studies showed that Dawei and Myanmar were the weakest links in the corridors, which offer high potentiality. There has, however, been a long delay in the implementation of proposed projects, including the Dawei deep sea project, the Dawei Special Economic Zone (SEZ) project and road construction connecting to Thailand.

The situation is now dramatically changing, as Myanmar proceeds with all-round reforms. On 19 June 2012, President Thein Sein declared that the government had entered into the second phase of reforms, which focused on economic and financial development. In January 2013 the Myanmar government held a donor meeting. The international community has changed its attitude to Myanmar, and now strongly expects that the development of the country will be accelerated, especially in the Yangon and Thilawa area.

Under the circumstances, we have research questions as follows:

- What are the real bottlenecks in the missing link of the MIEC, among several soft and hard infrastructure issues, e.g., what are the differences between Bangkok-Ho Chi Minh City transit route and Bangkok-Hanoi route?
- Bilateral MoUs, instead of the CBTA, have been operated at most of the borders in the Mekong Region. The differences and the gaps between the MoUs and the CBTA can affect the transport facilitation during the transition period. What are the gaps between them?
- What kinds of transit transport measures should we implement for the Dawei-Kanchanaburi route and full-fledged utilization of the MIEC?
- What are the differences between the EWEC and the MIEC? How can we maximize the potential benefit of the MIEC?

² The Foreign Ministers of Thailand and Myanmar agreed a Memorandum of Understanding (MOU) on the implementation of the Dawei deep sea port and an industrial estate in May 2008, followed by another MOU between the Italian-Thai Development Company (ITD) and the Myanmar Port Authority in June 2008.

- Will coming AEC transport measures help us solve the issues? What are the potential gains of AEC transport measures, when we consider existing domestic regulations, bilateral MoUs and sub-regional agreements? Are the potential gains significant, or marginal? Will AEC measures benefit small and medium enterprises or just empower large multinationals? How do AEC measures affect domestic logistics firms? And how do AEC measures contribute to reformation of production networks?
- What areas should we address after we have AEC measures?

These questions have been not well addressed compared with its importance. For example, Bangkok-Hanoi transit route was examined by Ishida and Isono (2012) while Bangkok-Ho Chi Minh City transit route on the MIEC has not been compared with the Bangkok-Hanoi route.

This inception paper consists of three parts. Part I and the appendix for Part I introduce project proposal for intensive research on soft infrastructure development along the MIEC. Part II discusses the importance of balancing different development measures for higher economic growth and narrowing development gaps, by using IDE/ERIA-GSM analysis. Part III claims unchanging importance of the Dawei project, by again using IDE/ERIA-GSM analysis when we incorporate reforming Myanmar and Yangon development into our scenarios.

Part I: Soft Infrastructure Development along the MIEC

In order to identify the achievements, missing links and additional gains from AEC measures to existing schemes and to specify the difficulties in implementation of the measures, we need to conduct comprehensive stocktaking among domestic regulations, bilateral MoUs, sub-regional initiatives, and possible AEC measures along the MIEC. This study should cover both passenger cars and freight transport.

Specific research methodologies are as follows:

- Conduct stocktaking study on transport facilitation measures the MIEC in the inland Mekong region, i.e. Cambodia, Laos, Myanmar, Thailand and Vietnam. It includes translation of domestic legal documents on transport facilitation for both passenger cars and freight transport,
- Conduct survey trip to interview with government officials at the borders, local and central governments, manufacturing firms, logistics forwarders and related organizations,
- Conduct case studies in specific borders along the MIEC,
- Identify possible impacts of AEC measures, and
- Identify difficulties in implementing AEC measures.

Expected policy recommendations derived from this study can be as follows:

- Share the problems of current schemes in the MIEC with policy makers and existing/potential users of transport facilitation measures,
- Harmonize and simplify policies on transport facilitation among countries,
- Redouble the efforts toward a conclusion of AEC measures and examine the possibility of starting from specific borders like the Initial Implementation of CBTA,
- Facilitate the dissemination and the capacity building programs,
- Apply the best practices to Dawei deep seaport project, regardless from AEC measures, sub-regional initiatives or bilateral agreement to allow Thai container trucks to come directly to the Dawei port, and
- Explore applying the best practices to other regions in ASEAN, i.e., IMT and BIMP areas.

We added Laos as a country concerned because the comparison between the MIEC and the EWEC will help us identify possible further improvements for the MIEC.

Part II: The relationship between components of an economic corridor and economic development: geographical simulation analysis

Now we are finding many success stories in Cambodia getting some production blocks from Thailand and Vietnam. What are the key factors for the success? We try to give answers to the question by using the geographical simulation analysis. IDE/ERIA-GSM is the only one methodology to identify economic impacts of a specific infrastructure project on other countries and favorable combinations of various hard and soft infrastructure projects to pursue both high economic growth and narrower development gaps (Kumagai and Isono, 2011). Our model has sub-national economic data and different modes of transport in logistics, i.e.,

highways, railways, sea shipment and air shipment. The geographical route of transactions between each pair of regions is determined by firms' modal choice which reflects the type of goods. The model also includes estimations of some other trade costs such as tariff rates, non-tariff barriers and transshipment costs. We estimate region-specific productivity parameter by industry. Therefore our simulation model is a comprehensive one for examining the impact of developing infrastructures and reducing broadly-defined trade costs.

Scenario

In this simulation analysis, we present a baseline scenario and several alternative scenarios. Every simulation starts from 2010. In 2015, we assume that some infrastructure projects have been completed and apply their impact to all scenarios. In the baseline scenario, we assume that there are no additional hard and soft infrastructure projects, and run the simulation toward 2030. In the alternative scenario, we assume additional projects and run the simulation up to 2030. We compare the economic situations, e.g. regional GDP (GRDP), between the baseline scenario and the alternative scenario and derive the economic impact of those infrastructure projects as the difference between the two scenarios.

Specifically, we set three alternative scenarios as follows:

Scenario 1 (Road development and facilitation at borders)

In 2020, we upgrade the road infrastructure between Poipet and Bavet via Phnom Penh, and the road between Phnom Penh and the Sihanoukville Port. We halve the cost and time at the borders between Poipet and Aranyaprathet and between Bavet and Moc Bai.

Scenario 2 (NTB Reduction)

From 2014, we gradually decrease non-tariff barriers (NTB) of Cambodia up to 2030 by 2%/year.

Scenario 3 (SEZ development)

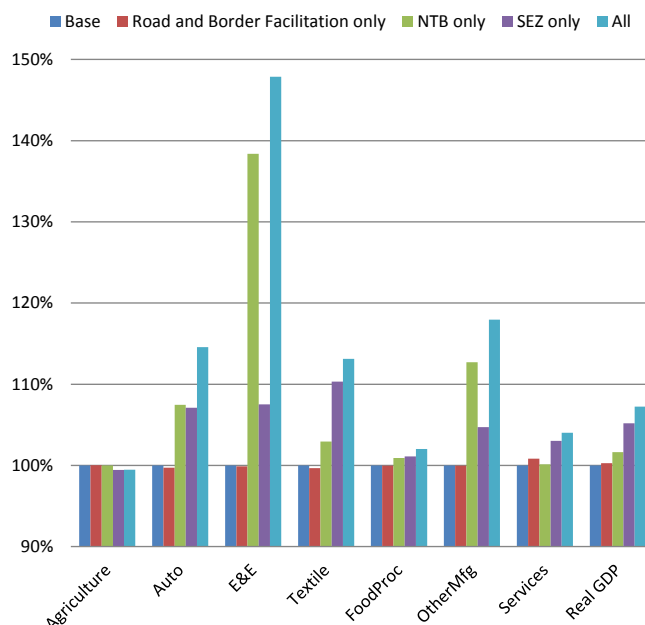
- In 2014, we develop special economic zones (SEZ) at the following cities and assume increment of technological parameters for those cities by 5%.
- Banteay Meanchey
- Battambang
- Phnom Penh
- Sihanoukville
- Svay Rieng
- Kandal
- Koh Kong

Scenario 4 (All)

We include all additional developments mentioned in Scenarios 1, 2 and 3.

Simulation results

Figure 2 depicts the economic impacts of those four different development scenarios on Cambodia in 2030. We set the GDP components of the baseline scenario as 100%. Table 1 lists the economic impact of those scenarios on Cambodia, Thailand and Vietnam in 2030. We find different impacts of those development measures. All four measures contribute to higher real GDP of Cambodia when we see the "Real GDP" term. Scenario 1 (Road and border facilitation), Scenario 2 (NTB reduction), Scenario 3 (SEZ development) and Scenario 4 (All) increases Cambodian GDP by 0.285%, 1.646%, 5.183%, and 7.232% compared with the baseline scenario in 2030, respectively.

Figure 2: Economic Impact of the four scenarios on Cambodia in 2030 (% of the baseline scenario)

Source: IDE/ERIA-GSM.

Table 1: Economic Impact of the four scenarios on Cambodia, Thailand and Vietnam in 2030 (% compared with the baseline scenario)

Scenario		Agriculture	Auto	E&E	Textile	FoodProc	OtherMfg	Services	Real GDP
1	Cambodia	0.011%	-0.269%	-0.108%	-0.328%	-0.043%	-0.023%	0.824%	0.285%
	Thailand	0.000%	0.007%	0.001%	0.020%	0.013%	0.028%	0.000%	0.009%
	Vietnam	0.000%	0.006%	0.011%	0.002%	0.014%	0.008%	-0.001%	0.004%
2	Cambodia	-0.005%	7.464%	38.372%	2.927%	0.900%	12.718%	0.140%	1.646%
	Thailand	0.000%	0.000%	0.000%	0.025%	0.000%	0.011%	0.000%	0.004%
	Vietnam	0.000%	0.000%	-0.001%	0.012%	-0.001%	0.006%	-0.001%	0.002%
3	Cambodia	-0.550%	7.101%	7.508%	10.316%	1.100%	4.711%	3.019%	5.183%
	Thailand	0.000%	0.001%	0.001%	-0.001%	0.000%	0.001%	0.000%	0.000%
	Vietnam	0.000%	0.001%	0.001%	-0.011%	0.001%	0.001%	0.002%	0.000%
4	Cambodia	-0.543%	14.553%	47.870%	13.130%	2.033%	17.961%	4.018%	7.232%
	Thailand	0.000%	0.008%	0.001%	0.049%	0.013%	0.039%	0.000%	0.014%
	Vietnam	0.000%	0.007%	0.011%	0.005%	0.013%	0.015%	0.000%	0.007%

Source: IDE/ERIA-GSM.

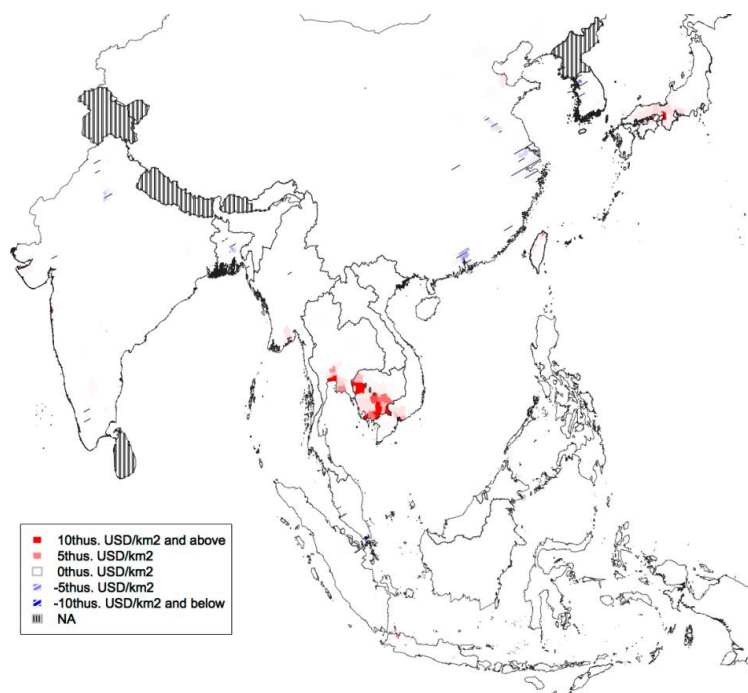
The road development and border facilitation contribute to higher GDP component on services while they decrease GDP components on Automotive (Auto), Electronics and electric appliances (E&E), Textile and garment (Textile), Food processing (FoodProc) and Other manufacturing (OtherMfg) sectors. This is because Cambodia has weaker comparative advantage on those industries compared with Thailand and/or Vietnam so the road development and border facilitation may accelerate the shift from manufacturing sector to services sector, compared with the baseline scenario³ unless we tackle with “behind the border issues” and enhance technological capabilities. NTB reduction, which represents other regulatory reform than facilitation measures at the borders, benefits all industries except for agriculture and E&E sector sees high increase of the GDP component. Agricultural sector sometimes see negative impacts because economic development of the country facilitates the shift of the labors from agriculture to manufacturing or services sectors. SEZ development increases GDP of Cambodia and GDP components of Auto, E&E and Textile mainly. However, the development

³ Readers should be reminded that negative impacts mean smaller GRDP than the baseline scenario in 2030 and that this does not mean that they will have smaller GRDP than the current values.

accelerates the population and labor migration from rural areas to the cities with SEZ and rural areas will have negative impacts compared with the baseline scenario. “All” scenario contributes both to higher economic growth of the country and relatively inclusive growth, as shown in Figure 3. The scenario shows a synergy effect of the economic impacts. Moreover, the economic impact of the scenario on Cambodia is 7.232% and the percentage is larger than the sum of the positive impacts of scenarios 1, 2 and 3, which is 7.114%.

This simulation analysis explains the importance of combining economic development measures, that is, road development, SEZ development, border facilitation and regulatory reform. That is actually what we have seen in Cambodia where all development measures are being adopted and improved in parallel.

Figure 3: Economic Impact of the “All” scenario on East Asia in 2030 (Impact Density, USD per km²)



Source: IDE/ERIA-GSM.

Part III: Dawei as a largest missing link:geographical simulation analysis

The circumstance around Myanmar has totally changed after she started to open the country when we compare with the year the MIEC report has issued. Many donors and private companies are now interested in Yangon and Thilawa areas and some even claim that the importance of Dawei has declined. In this part, three research questions should be posed⁴. First, in an era of reforms in Myanmar, is the Dawei project still needed, especially when many donors/investors are focusing on the Yangon and Thilawa area? Second, if so, how does the Dawei project benefit Myanmar and the Mekong region? And third, what are the best combination of the projects for ASEAN and Myanmar to aim for high economic growth and narrowing development gaps? Again, we conduct geographical simulation analysis by IDE/ERIA-GSM to give answers for the questions.

Scenarios

In this simulation analysis, we present a baseline scenario and several alternative scenarios. Every simulation starts from 2005. In 2010, we assume that some infrastructure projects have been completed and apply their impact to all scenarios. In the baseline scenario, we assume that there are no additional hard and soft

⁴ This part is an adaptation from Isono and Kumagai (2013). Update analysis will be provided using latest data and information.

infrastructure projects, and run the simulation toward 2030. In the alternative scenario, we assume additional projects and run the simulation up to 2030. We compare the economic situations, e.g. regional GDP (GRDP), between the baseline scenario and the alternative scenario and derive the economic impact of those infrastructure projects as the difference between the two scenarios. Specifically, we set three alternative scenarios as follows:

Scenario 1 (Reforming Myanmar and Yangon Development)

In 2015, we expand the capacity of Thilawa port and develop the Yangon Special Economic Zone (SEZ) thus increasing the productivity parameter of Yangon. We assume that Thilawa and Chennai, India, Thilawa and Kolkata, India, and Thilawa and Colombo, Sri Lanka are connected by sea routes that are equivalent to other routes between internationally important ports. Aside from the Yangon development, we assume that Myanmar as a country reduces policy and cultural barriers by 2% per year.

Scenario 2 (Scenario 1 + Domestic Connectivity Enhancement in Myanmar, excluding Dawei)

In addition to the developments mentioned in Scenario 1, we have Mandalay development and connectivity enhancement in Myanmar. We reduce the time and money costs at the following national borders: Tachileik-Mae Sai, Mongla-Daluo, Tamu-Moreh, Kawthoung-Ranong, Myawaddy- Mae Sot, and Muse-Ruili. Connectivity enhancement includes upgrading the roads in sequence as follows:

- 1) Yangon-Mandalay
- 2) Muse-Mandalay-Kyaukphyu,
- 3) Myawaddy-Paan-Yangon,
- 4) Yangon-Mandalay second link on the western side of BagoYoma,
- 5) Mandalay-Monywa-Tamu,
- 6) Yangon-Pathein,
- 7) Mongla-Kyinetone-Tachileik and
- 8) Mawlamyine-Dawei-Myeik-Kawthoung.

Kyaukphyu and Chennai, India, Kyaukphyu and Kolkata, India, and Kyaukphyu and Colombo, Sri Lanka are connected by sea routes that are equivalent to other routes between internationally important ports.

Scenario 2 (Scenario 2 + Dawei Development)

In addition to the development mentioned in Scenarios 1 and 2, we develop the Dawei deep sea port and the Dawei SEZ in 2020. Dawei and Kanchanaburi are connected by a road. Dawei and Chennai, India, Dawei and Kolkata, India, and Dawei and Colombo, Sri Lanka are connected by sea routes that are equivalent to other routes between internationally important ports. Special customs facilitation enables products from Thailand, Laos, Cambodia and other countries to be exported to India or the EU to go through Kanchanaburi to Dawei very smoothly, taking only 15 minutes and free-of-charge, and vice versa for the imports.

Simulation results

Figure 4 shows the economic impacts of Scenarios 1, 2 and 3 compared with the baseline where there are no infrastructure developments. The economic effects are measured as ‘impact density’ which is an index of gains/losses of GRDP in 2030 between the baseline scenario and an alternative scenario divided by the area of the region. The larger the impact, or the smaller the area of a region, the larger the absolute value of the impact density of the region becomes. Red regions have positive economic impacts where the additional infrastructure projects are favorable for the regions and blue regions have negative economic impacts due to outflow of industries/households or fierce price competition.⁵

Scenario 1 depicts the current situation as of 2013 that Myanmar proceeds with all-round reforms. The simulation result of Scenario 1 shows that reforming Myanmar and completing the Yangon/Thilawa development will stimulate the economic activities of Yangon and the Irrawaddy delta areas, and those areas will attract firms from other regions, especially from Northern Myanmar, to Yangon. The hard and soft infrastructure development in Scenario 1 significantly increases Myanmar’s net GDP. The impacts on other countries are relatively smaller because of the small economic size of Myanmar.

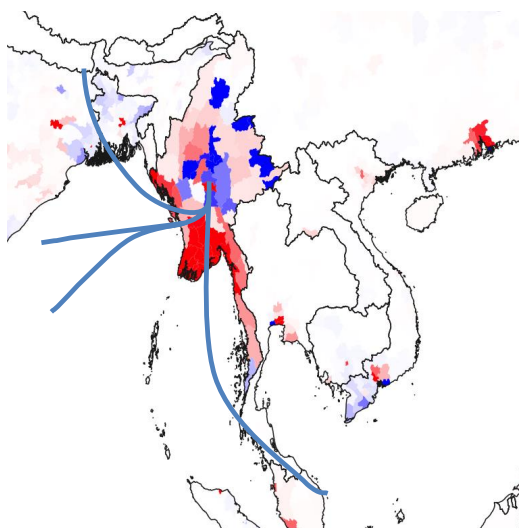
⁵ Readers should be reminded that blue regions have smaller GRDP than the baseline scenario in 2030 and that this does not mean that they will have smaller GRDP than the current values.

However, the Yangon development and Myanmar reforms generally will induce the formation of a cluster in Yangon and lead to an outflow of firms/households from northern areas of the country. The simulation result implies that the Yangon development and Myanmar reform would lead to a higher level of economic growth in Myanmar but not enough to achieve narrower development gaps. Therefore, in scenario 2 we propose the strategy by ERIA (2010)⁶ that includes an additional Mandalay development in 2015, gradual connectivity enhancement in the country, and border facilitations at the main border crossings with surrounding countries, to achieve high economic growth and inclusive development in Myanmar.

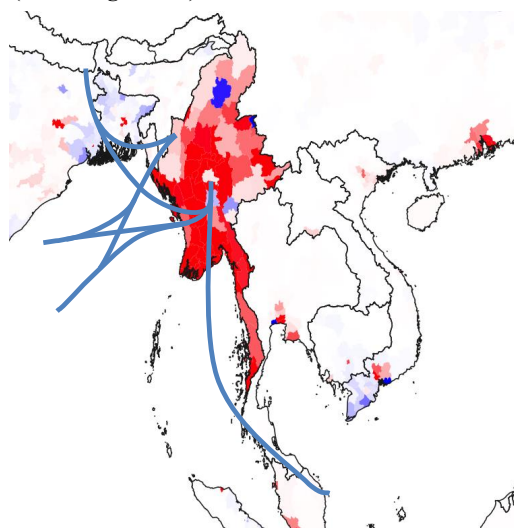
Additionally, Scenario 3 where we add the additional Dawei development plus border facilitation with Thailand to Scenarios 1 and 2 will bring about significant positive impacts not only on Myanmar but also on the Mekong region, the Malay Peninsula, Northeast India and Bangladesh.

Figure 4: Economic Impacts of Scenario 1 and Scenario 2
(Impact Density, USD per square kilometer, 2030)

[Scenario 1]
Reforming Myanmar and
the Yangon Development

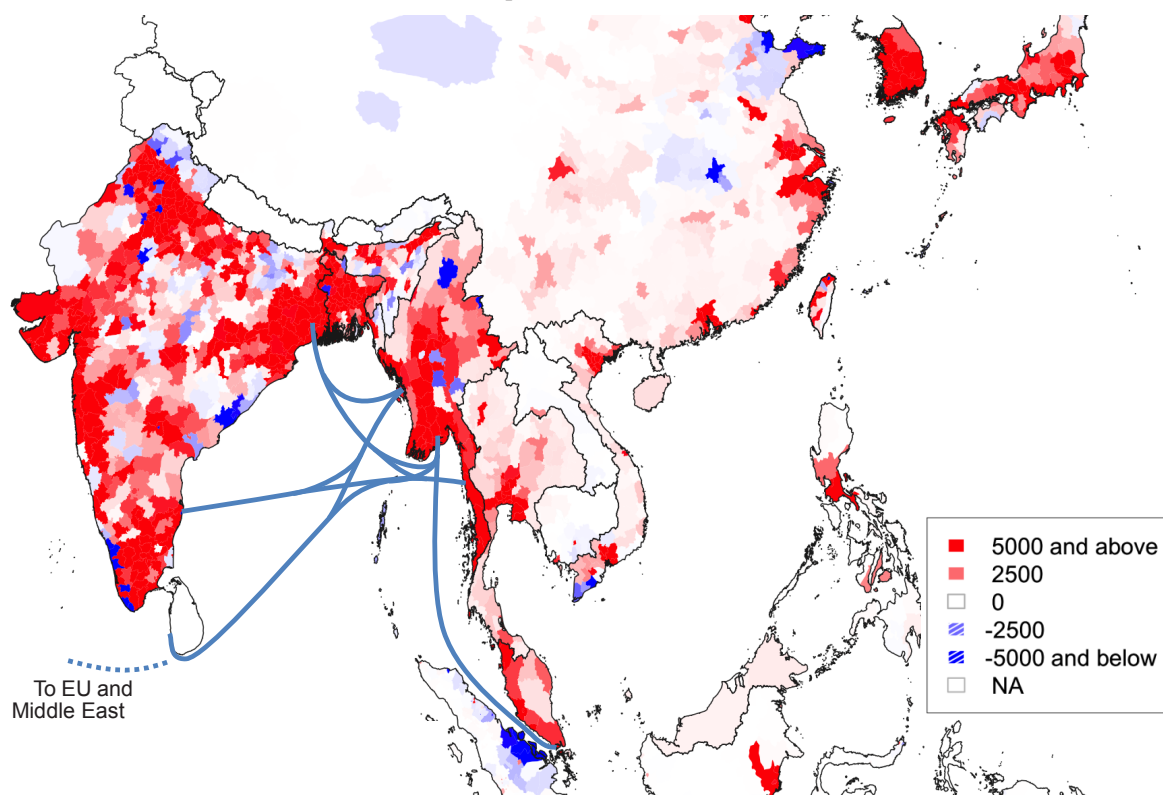


[Scenario 2]
Scenario 1 +
Domestic Connectivity Enhancement
(excluding Dawei)



⁶ The strategy is one of the core components of the Myanmar Comprehensive Development Vision (MCDV). The MCDV was referred in the 3rd Mekong-Japan Summit on 18 November 2011 to be implemented using the Japan-ASEAN Integration Fund (JAIF) and is expected to make an important contribution to enhancement of intra Mekong and ASEAN Connectivity.

**[Scenario 3]
Scenario 1 + Scenario 2 + the Dawei Development**



Note: NA for Bhutan, Nepal, North Korea, Sri Lanka, Timor-Leste, and Jammu and Kashmir due to the data availability.

Source: Isono and Kumagai (2013).

The simulation analysis clearly shows the different characteristics of the three major projects, i.e., the Yangon development, domestic connectivity enhancement, and the Dawei development, in two ways. The first difference is the development period. Some of the Yangon development can be implemented by 2015 while the total completion of the domestic corridors and the Dawei development needs longer period. The second difference is the beneficiary. The Yangon development and reforming Myanmar definitely benefit Myanmar, but main beneficiary is Yangon area. Domestic connectivity enhancement contributes to further economic growth of the country as well as inclusive development in Myanmar and to avoiding excessive agglomeration and congestion in Yangon area. The Dawei Project contributes to promoting inclusive development in Myanmar and high economic growth of the region as a whole. In sum, Myanmar and East Asia can achieve high economic growth and narrower development gaps by combination of the Yangon development, reforming Myanmar, domestic corridors and the Dawei project.

In particular, there is a strong policy implication that the Dawei project is vital to further development of the Mekong region, notwithstanding the current reforms in Myanmar. There needs to be international or regional cooperation in helping Myanmar and the Dawei project, because the economic impacts of the Dawei project will prevail in East Asia. There also needs to be the highest level of border facilitation between Dawei and Kanchanaburi, so that trucks belonging to Thai logistics companies are able to come directly to the port at Dawei.

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An evaluation of the Philippine land-based transport facilities in the context of the ASEAN integration

(14)

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Abstract

The ASEAN Integration is envisaged to create a stable, prosperous, and highly competitive economic region characterized by free flow of goods, services, and investments. Among the many perceived benefits of integration, the elimination of barriers to trade is considered to be the most significant in addressing poverty gap and socio-economic disparities. However, since the orientation of trade is almost always geared toward external and international exchange, the local transport condition vis-à-vis ground accessibility is often neglected. It is therefore bizarre that internal local connectivity is placed on the sidelines when bulk of the production capability which needs to be harnessed is at the countryside.

Using network analysis and spatial econometrics, the paper provides empirical evidence on whether the Philippines possesses efficient, adequate, and reliable land-based transport facilities necessary to support the integration of local production chains and ensure that the benefits of ASEAN integration trickle down to the local level especially on the countryside. Specifically, the object of the paper is two-fold: first, determine whether the local production networks are, at the ground level, adequately and effectively linked to the regional and national trade hubs for a single market and production base; second, identify strategic solutions to address issues such as economic congestion and migration.

Keywords: Network Analysis/ Spatial Econometrics/ Transportation/ Trade/ Countryside Development

The ASEAN Economic Integration

The ASEAN Integration is envisaged to create a stable, prosperous, and highly competitive economic region characterized by free flow of goods, services, and investments in the Asian region by 2015. As stipulated in the Master Plan on ASEAN Connectivity, each member state committed to build their national strategies around three core areas: physical connectivity, institutional connectivity, and people-to-people connectivity. This entails that the members will form a community with shared rules, norms, and values cognizant of and in adherence to the human rights, good governance, and the basic tenets of democracy. (Severino and Menon, 2013, p.9) Considering the fact that the ASEAN member states may share similar ethnicities and cultural background, the diversity in practice or “thinking and doing” on the other hand reflect the differences in political and governance directions. In effect, its rate of success therefore lies in the degree by which each member state commits to fully understand, respect, and recognize the intricacies and differences that are inherent to other states as part of the ASEAN community.

Anchoring on the significance of each member’s commitment for the 2015 integration, Azis (2013) further argued that at this stage these agreements should have already trickled down at the local level and cascaded in the form of policies otherwise it becomes being self-serving and the implementation- monitoring-evaluation- recalibration continuum falls apart. This is parallel to the findings of Osakwe (2001) pointing out that the failure to translate agreements and international protocol into tangible domestic policy reforms result to the failure of trade liberalization to impact productivity and growth. His conjecture about the necessity to establish a favourable administrative setting and strong governance arm to maximize the potential benefits of trade especially at the local level is anchored on comparative advantage brought about by competitive and reliable infrastructure.

The integration clearly is not an undertaking which can happen overnight or imposed instantaneously. In fact, in a study conducted by Asian Development Bank along with a select group of experts on the ASEAN, the authors collectively conveyed the near impossibility of the AEC integration in 2015, drawing closely from its ambitious and far-sighted commitments. The nature of pessimism is no different from the issues discussed in the 2008 Midterm Review i.e. “governance” pertaining to political and administrative, the effectiveness of centralized administration as opposed to local government level, changes in political leadership and their respective priorities. The discussions made clear points on how the changes in leadership often create “disjuncts” not only in the priority programs but also and more importantly in the strategies implemented at the

national and local scale.¹ Parallel to this, Pomfret and Das (2013) emphasized the necessity to align the subregional and regional programs especially on three key areas: trade and investment, human resource development, and transport infrastructure. Accordingly, it is through these disjuncts that infrastructure projects have become a potent avenue of corruption either as a consequence of disrupted implementation or abuse of dominant position and other anti-competitive practices although evidence of these have never been fully presented or substantiated.

Using network analysis and spatial econometrics, the paper provides empirical evidence on whether the Philippines possesses efficient, adequate, and reliable land-based transport infrastructure necessary to support the integration of local production chains and ensure that the benefits of ASEAN integration trickle down to the local level especially on the countryside. Specifically, the object of the paper is two-fold: first, determine whether the local production networks are, at the ground level, adequately and effectively linked to the regional and national trade hubs for a single market and production base; second, identify strategic solutions to address issues such as economic congestion and migration.

Moving beyond the “development divide” in the ASEAN

Given that countries share commonalities with respect to its geographical scope of operations, historical influences as a result of western imperialism, and the traditional way of life, the ASEAN member states express positive perspective and excitement over the next two years. However, the stark political posture and socio-economic disparities across Asia is only one of the many issues identified by scholars and practitioners. To elaborate on the widely diverging views, the AEC proponents argue that the integration would not only increase the trade movements and facilitate the inflow of investments; it can also bridge the pervasive socio-economic divide in the region. (Hiratsuka and Kimura, 2008, p.1) Conversely, the AEC is seen to emphasize and challenge the diverging norms, practices, culture, priorities of each member economy. In effect, the free trade agreement will inevitably create factions and even duality in standards among the members instead of creating a single homogenous economy. (Solis, Stallings, and Katada, 2009, p.236, 247)

As pointed out by a study conducted by the Asian Development Bank (2013), the “development” divide poses material nuisance which can and will determine the outcome of the integration- a conclusion which I personally share. Evidently, the more advance and homogenous economies will be at the core while the others will remain at the periphery. This familiar outcome is substantiated by the accounts on the Brunei- Indonesia-Malaysia-Philippines or BIMP EAGA wherein the positive impact of BIMP EAGA was eclipsed by the hurdles and restrictions even at the onset. The cooperation was found to be minuscule and selective, successful undertakings were skewed toward the more advanced members such as Malaysia and less toward the Philippines, administrative constraints significantly reduced labor arbitrage. While the infrastructure development was on the upswing and the investments and funding were channeled for it, the objectives were unclear if they were primarily geared toward increasing the connectivity within the growth area and the advancement of the EAGA. Moreover, To further underscore the severity of inequity, countries which are poorly linked by physical infrastructure (i.e. land, water, and air transport facilities, power grids) were also invariably plagued by the lack of soft infrastructure e.g. organizational inefficiencies, inadequate fund support for the key projects, dependence on aid, low FDI inflow; clearly not the best situation for countries who have been struggling to “reinvent” and “reinvigorate” its institutional capacity and maximize its productivity levels.²

Clearly, the development divide resulted in the diverging impact and sustained inequality, reinforcing the “beggars thy neighbor” practices of the developed partners. Attempts to address the development divide came in the implementation of the Initiative for ASEAN Integration or IAI, which not only covered the existing growth triangles but also provided for the integration of new ASEAN members i.e. Cambodia, Lao, Myanmar, and Vietnam. However, in spite of the significant achievements and impact of the projects, the IAI was also mired with diverging vested interests and administrative interference as pointed out by Severino (2007).³

¹ A break or disjunct is defined as a discontinuity but in this paper, the author used it to describe the conscious decision of the incumbent to separate his/her administration from its predecessor either to highlight the individuality of the former or the inefficiencies and shortcomings of the latter.

² The negative impact of deeper economic integration with respect to social costs was discussed at length by Vo (2005). The result, accordingly, risked countries to fall into what he calls a “low-cost labor trap” which is a condition where domestic industries have very minimal incentive to integrate into the global value chain.

³ In addition, the IAI suffered from low or unequal participation from the member states which is largely due to their failure to develop a sense of ownership. As a result, the evaluation and monitoring phase was not effectively carried out which eventually paralyzed the sustainability of the efforts.

Issues on spatial connectivity

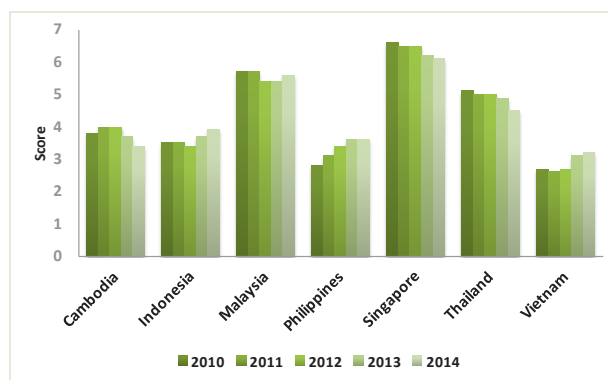
Among the many perceived benefits of integration, the elimination of barriers to trade is considered key in addressing poverty gap and socio-economic disparities. From an economic perspective, the natural approach is to remove the barriers to trade by first bridging the gaps at the regional level before going deeper at the local level. However, since the orientation of trade is almost always geared toward external and international exchange, the local transport condition vis-à-vis ground accessibility is often neglected. It is therefore bizarre that internal local connectivity is placed on the sidelines when bulk of the production capability which needs to be harnessed is at the countryside. Moreover, while removing the barriers to trade is important, the structural requisites on the area of governance are of equal importance. Policies and other legal instruments which outline the national posture define not just membership but also the commitment to uphold the integration agreements and protocol, effective line agencies to support and implement the initiatives are necessary not only for administrative requirements but also for the regulatory and oversight functions which is key for the sustainability of the integration. To further support this “bottom-up” trade-infrastructure hypothesis and its pitfalls, Anderson and Jenny (2005) substantiated the merits of first reducing the trade barriers and establishing an effective physical and structural infrastructure to encourage investments and maximize productivity.

According to the World Bank (2004 a and b), a salient precondition of integrated regional trade is an effectively linked and efficient transport system. As a matter of fact, the contribution of trade to its gross domestic product is directly proportional to its level of spatial connectivity, which puts emphasis on the propensity of trade to reduce poverty levels especially in areas which concentrate in the agriculture, manufacturing, and industrial sectors of the economy. However, the findings of a cross-country study conducted by the World Bank highlighted the considerable focus on “external and international flow of goods” and the capacity of each member’s transport facility to support international trade meanwhile giving too little consideration and concentration on the impediments at the local and internal level i.e. physical condition, strategic geographical linkages, safety, institutional limitations to, and source of investments required to conceptualize, build, and operate the local transport system which would support trade from the primary areas of production to the regional markets at the local and international levels.

An evaluation of the road transport infrastructure in the Philippines

As the recent trade volume of the Philippines suggest a substantial demand for export products vis-à-vis considerable inflow of foreign direct investments against a stable and encouraging macroeconomic environment, adequate, reliable, and good quality road infrastructure has become a collective aspiration of the national government, local and foreign investors, and common citizens and visitors as we move toward the regional economic integration. Figure 1 presents an actual evaluation of the road condition of the Philippines in comparison with the rest of the ASEAN members. Evidently, while the local scores show continuous significant improvements (rising a full notch in a span of 5 years) the local roads have been described as substandard, inadequate, and quite taxing especially on the agricultural sector where the high transport cost significantly impedes the productivity levels. To further support this finding, Transportation Undersecretary for Legal Affairs Jose Perpetuo M. Lotilla stated in his speech at the 2014 Arangkada forum that “[I]n the Philippine transportation sector, the biggest challenges include the need to fill the infrastructure gap and deliver services to ensure mobility in a fast-growing country.”

Figure 1. Quality of road scores of select ASEAN members



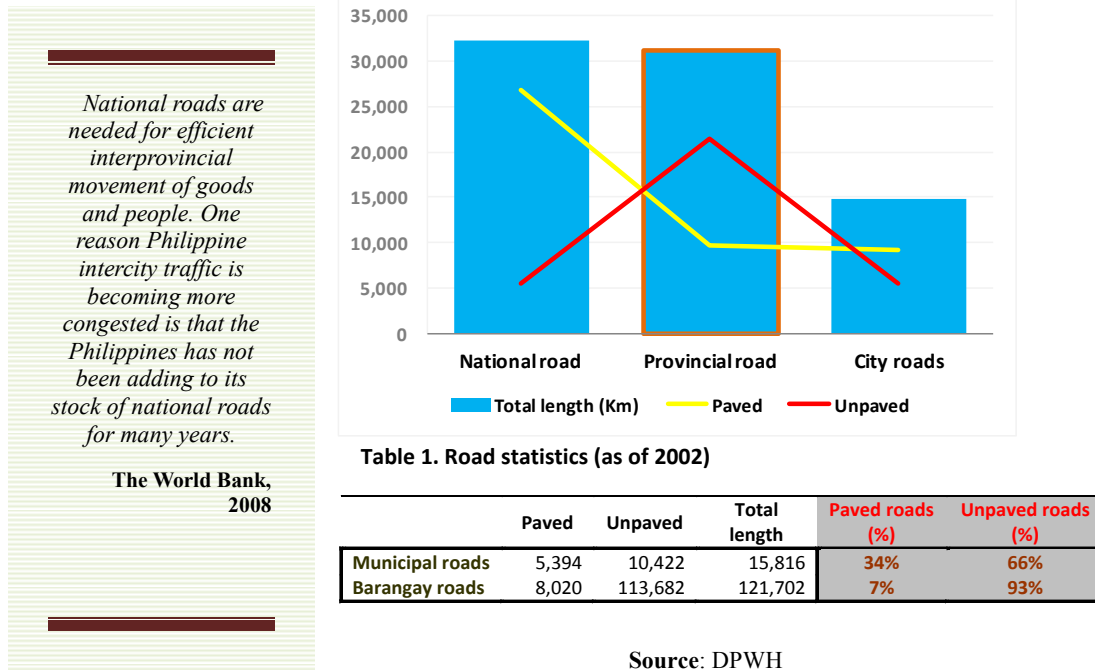
Source: World Competitiveness Report, World Economic Forum; author’s compilation

At the local setting, there are two scenarios where the availability and condition of local transport infrastructure assume critical functions. First, since the Philippines is primarily archipelagic in nature the connectivity between provinces and islands with respect to transporting products, equipment, labor, or even services from the countryside or city outskirts to the main trade hubs in urban areas is primordial. In the event that ground transport either becomes unavailable, precarious, or costly then the production chain is disrupted, ultimately affecting various sectors of the economy i.e. manufacturing companies, agri-industries, and industries fail to deliver, business establishments incur losses and to some extent face higher operating costs, and eventually resulting to layoffs as setbacks and low levels of productivity translate into deteriorating economic condition and waning activities. The Philippines, having a primarily weak agricultural backbone, poorly connected production centers and the lack of necessary infrastructure to support the production chain from the countryside to the central market at the major trade areas is especially vulnerable to food insecurity, trade imbalance, and even the “flight of capital” should adverse circumstance occur.

The second channel essentially relates the availability, adequacy, and efficiency of land-based transport infrastructure to socio-economic conditions with particular reference to the high proportion of rural households and poorest population. Specifically, the incidence of poverty is more defined and extremely polarized in the countryside. Empirical evidence suggests that the lowest spatial connectivity can be found in the poorest provinces, a handful of these areas are also classified as rural. Over the years, we have witnessed strong and pervasive labor arbitrage coupled by migration from rural to urban areas. Concern should be noted as this translates into itinerant poverty and quite possibly backward migration as more often than not the skills required in the urban areas and growth centers do not match the skills possessed by individuals from the rural areas. Also, the casualty and insecurity of employment, food, housing, and services in urban areas further create barriers which contribute to the “poverty trap”. The “short-distance” migration in Mindanao for instance may be attributed to the high poverty incidence and therefore the limited capacity of individuals to relocate to areas of better socio-economic conditions. Essentially, the low utilization of local transport raises the costs which discourages labor arbitrage and limits the trade potential of small enterprises and village farms. It may also be argued that the poor road condition, inadequate road linkages between cities vis-à-vis structural barriers discourage welfare-enhancing effects of migration and the limits the propensity of trade.

The recent Arangkada Philippines featured the evaluation of the Philippine Infrastructure policies and programs, underscoring the slow progress in infrastructure development and the failure to establish a convergence program in the transport sector.⁴ No less than the 2014 SONA Technical Report (2014:51) noted that only 47 percent accomplishment rate or 3,416 km of 7,256 km was achieved for the pavement of national road network from 2010 to 2016. Of the total, only 66 percent covered the arterial roads and roughly 40 percent of the secondary roads were paved. This pales in comparison to the original target of servicing the sizeable unpaved roads by 2014, effectively forcing the DPWH to move the target date of completion to 2016.

⁴ *The 2014 Arangkada Philippines Forum 3rd Anniversary Assessment report reads “Long-delayed major infrastructure projects should be brought to the construction stage in 2014.”*

Figure 2. Profile of the Philippine road infrastructure

The profile of the roads (figure 2) highlights two indications of low spatial connectivity as well as inadequate and unreliable road networks: the unmistakable shortage of national roads and the significantly high percentage of unpaved provincial roads. Moreover, a closer examination of the statistics at the municipal and barangay levels (table 1) show that majority of the roads are actually rough roads (gravel and sand). While the completion rates suggest a rather disappointing performance, the impact appears to be significant and even promising to some extent when viewed in the long run. The commitment of the current administration to fast track the infrastructure programs anchored on “good governance, Better Quality and Safer National Roads and Bridges Program, and Strategic Convergence Program” may invoke a sense of doubt but nonetheless deserves appreciation or even commendation recognizing that these projects entail comprehensive planning, extensive access to capital and resources.

Methodology

The approach utilized in this research is predominantly quantitative in nature. Geographic segmentation was conducted using geographic information, in this case the Philippine Standard Geographic Code or PSGC, for a visual presentation of socio-economic variables and the road density scores at the national and provincial level according to the three cases: poorest provinces, emerging business hubs, and biggest rural areas. While this method is not commonly used in the social sciences and the literature which utilized this approach are rather few in number, its application in the scientific field (i.e. geology, geography, biology, epidemiology) is widely recognized and accepted and most of the results were proven to be valid and reliable, especially if the problematique necessitates that the geographic differences are clearly emphasized.

Notable literature which suggest the considerable relationship between economic distance and trade potential, which also served as an inspiration to the author, include the Economic potential via the gravity model of trade (Beronilla, Esguerra, and Ocampo, 2013) and the Economic geography of trade, production and income: a survey of empirics (Overman, Henry G., Redding, Stephen and Venables, Anthony (2003). Essentially, the economic distance from one area to the major growth area is a significant determinant of its economic potential and productivity. The five (5) areas for the first case were selected from the twenty (20) poorest provinces based on poverty incidence of 2012 and matched with the road density scores to emphasize the differences in spatial

connectivity levels.⁵ Meanwhile, the emerging business hubs are comprised of twenty six (26) municipalities from 19 provinces all over the Philippines identified by Jones Lang La Salle as growth areas and potential economic catalysts outside the major business hubs.⁶ These areas, ideally, are carefully master-planned and developed with the necessary transport infrastructure to support the supply chain. By looking at the progression of the regional gross domestic product (RGDP) and the condition and variations in spatial connectivity, the lack (adequacy) therefore of roads or the absence (presence) of transport linkages reflects the economic distance and therefore the capability of these areas to maximize the potential gains from the economic integration. By extension, this also signals the potential gains emanating from the integration such as the expected surge in demand for labor force, creation of smaller markets, collective enterprises, and the vertical integration of the businesses. The third case, which concerns the rural areas were selected based on the total population of rural households. Essentially, the degree of ruralness may not be a direct indicator of low productivity levels but the naturally weak spatial connectivity among rural areas and the lack of roads connecting these rural areas to the major growth hubs have detrimental impact to the economic activities, the sustainability of the local industries, and the survival of the agricultural sector as it relates to its labor force. The provinces for this case were ranked based on the proportion of the rural households and six (6) provinces were selected out of top eighteen (18) areas.⁷ In sum, the cases were identified to provide logical association between the road indicators and the socio-economic conditions at the provincial level. This provides clear visualization of how the road indicators influenced the macroeconomic fundamentals and by extension how the current ground transport conditions shape the competitiveness level of the Philippines during the economic integration.

The segmented data illustrates the direct relationship between the variables through the progression of the gradients. Naturally, the level or degree per variable increases (decreases) as the gradient becomes darker (lighter). The segmentation highlighting the geographic differences with respect to the road indicators is then contrasted with the segmentation using the socio-economic indicators. Note that this paper did not employ household or municipal-level testing due to the assumption of homogeneity- that aggregated dense groups such as these share similar responses within a specific area. The geographical segmentation was performed using the road density of the provinces categorized as either paved or unpaved. The scores are plotted to produce a map with the levels of segmentation per case. (Maps 1, 2, and 3)

To draw further into how spatial connectivity induces (reduces) productivity and poverty over time, an ordinary least squares (OLS) regression is conducted using the road vis-à-vis socio-economic indicators. This is done using the statistical computing software R. At the provincial level, the impact of road development on select socio-economic indicators which are directly affected by trade is determined by running the OLS regression model:

$$\text{Labor productivity, wage rate, unemployment rate} = \beta_0 + \text{Road Characteristics} * \beta$$

This is used to complement the geographic segmentation which was earlier conducted and further indicate the robustness of the “trade-connectivity-poverty” hypothesis that was discussed in the previous sections. The “trade-connectivity-poverty” association presented in this research is not directly based on causation but rather on the premise that increasing spatial connectivity through ground transport increases productivity levels within and across provinces, creates markets and links small industries to larger trade hubs and therefore provides jobs especially at the countryside, and provides access to other income generating opportunities to rural areas where opportunities are scarce and income insecurity primary results to poverty. This method was chosen for its straightforward yet deterministic approach since the dependent variables are continuous and invariably homogenous.

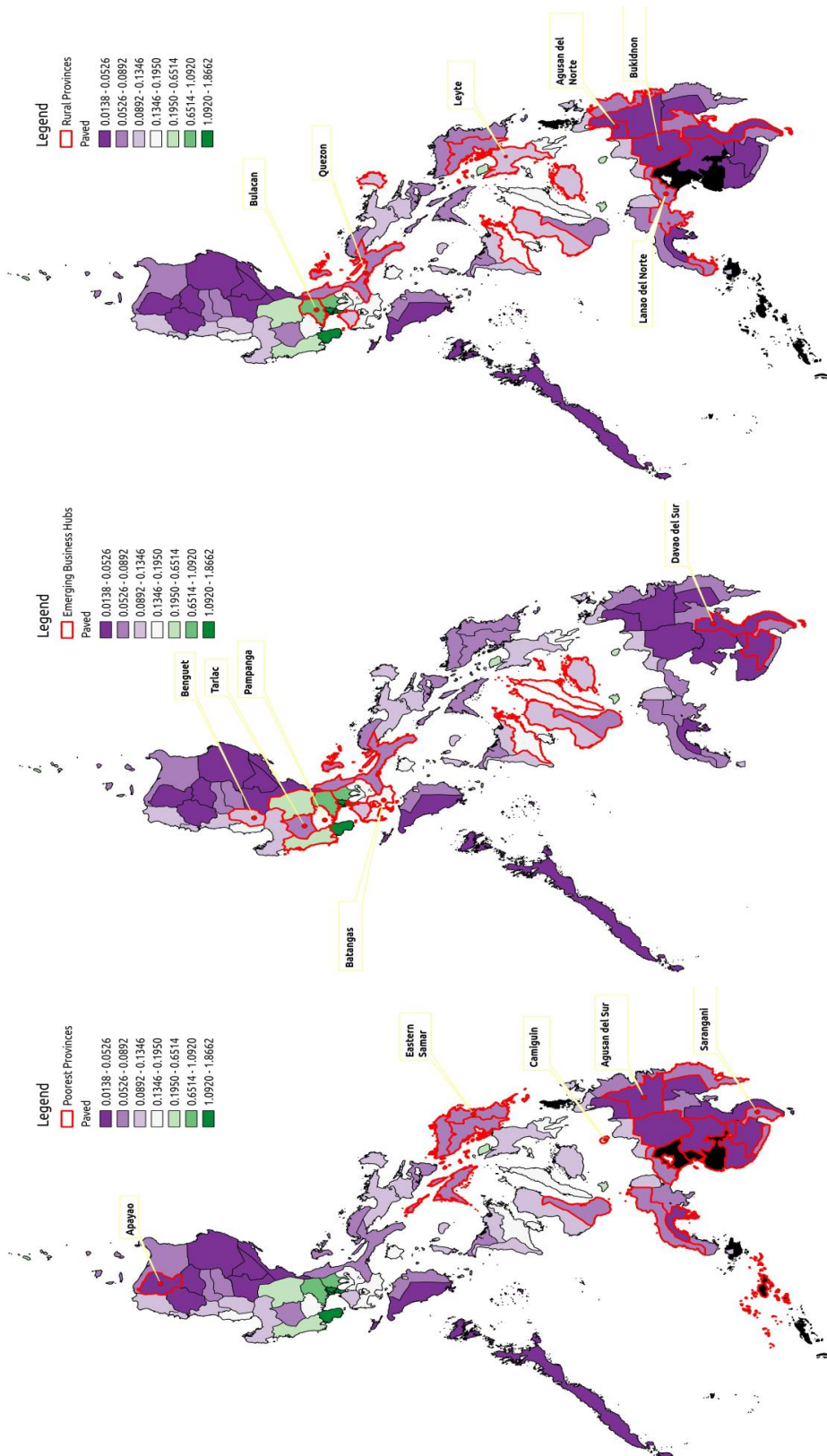
The data were gathered from reputable Philippine Government Agencies and consolidated by the Author. The primary road indicators were derived from the road statistics of the Department of Public Works and Highways or DPWH while the socio-economic indicators were collected from the Philippine Statistical Authority, the National Statistical Coordination Board, and the World Bank. The mapping tool used for this study is the Quantum Geographic Information System or QGIS Chugiak version 2.4 which is an open source program for mapping.

⁵ The poorest provinces include Apayao, Eastern, Northern, and Western Samar; Camiguin, Agusan del Sur, Bukidnon, North Cotabato, Cotabato City, Davao Oriental, Lanao del Norte and del Sur, Maguindanao, Masbate, Negros Oriental, Saranggani, Sultan Kudarat, Sulu, Zamboanga del Norte and Sibugay.

⁶ The emerging business hubs include 2nd and 4th district from NCR, Batangas, Bohol, Bulacan, Cavite, Cebu, Davao del Sur, Iloilo, Laguna, Negros occidental and oriental, Nueva Ecija, Pampanga, Quezon, Rizal, South Cotabato, Tarlac, Zambales.

⁷ The areas with the highest proportion of rural households include Agusan del Norte, Bohol, Bukidnon, Bulacan, Catanduanes, Cavite, Davao del Norte and Sur, Iloilo, Lanao del Norte, Leyte, Negros Occidental, Palawan, Quezon, Western Samar, Surigao del Sur, Tarlac, Zamboanga del Sur.

Maps 1, 2, and 3: Results of the case-specific geographic segmentation at the national level



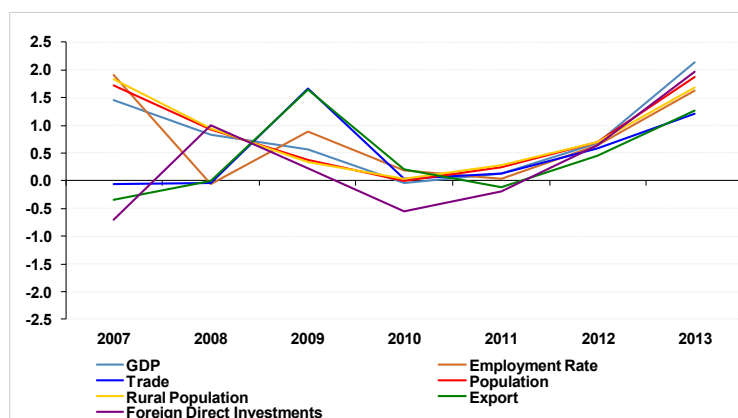
Results

The results of three-fold analysis are presented in the succeeding sections. The correlation analysis was conducted to illustrate how the increase in spatial connectivity as well as the improvements in the road condition influenced the progression of the socio-economic indicators at the national level. To further support the findings and provide a more detailed relationship, the segmentation analysis is combined with spatial econometrics focusing on three cases at the provincial level.

A. Initial correlation analysis

Empirical evidence on the correlates of spatial connectivity as measured by road length, as shown in figure 3, in fact suggest a direct and significant impact on economic growth, trade volumes, employment levels, and especially on the value of foreign direct investments which has declined significantly in 2010. The impact of spatial connectivity and improved road conditions on rural areas are also positive, significant, and to a certain extent sustainable. As the rural areas are effectively linked with the increased local roads connected to the national highways, not only are the small markets connected to the larger markets, industries are created in areas where barriers to trade overcome the creation of a market. By providing effective linkages for agricultural and rural villages to revive and develop the agricultural industries endemic in the localities and integrate their products to a larger market at the urban growth areas, a significant percentage of the rural population, most of whom are employed in the agriculture sector are less compelled or forced into unwanted economic migration to urban areas to find employment or seek favorable opportunities as the economic distance to markets especially on the countryside is reduced.⁸ In addition, these roads also complement the booming tourism industry, effectively providing access to foreign and local tourists to reach more tourist spots and (re)discover the indigenous products and industries in each province. In effect, the impact of increasing spatial connectivity and road networks significantly reduces and alleviates severe poverty especially in the countryside.

Figure 3. Year-on-year correlation of total road length with socio-economic indicators



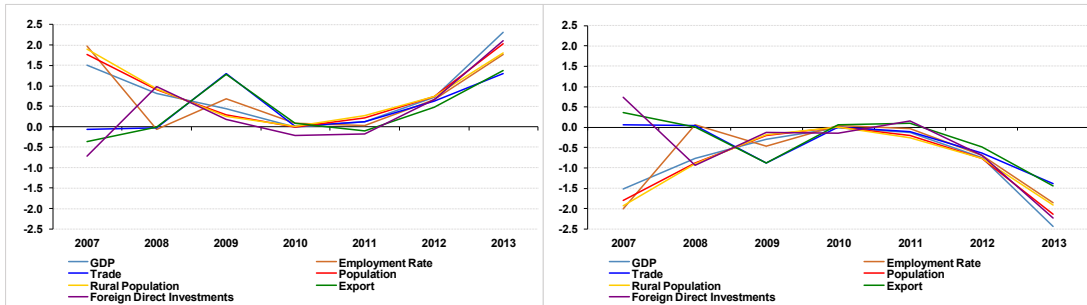
Sources: Road indicators (DPWH); employment, trade, and exports (PSA); population, rural population, and FDI (World Bank)

An even more focused examination of the relationship between the socio-economic determinants and the road condition (paved or unpaved) provides evidence that expanding the distance of better quality roads significantly improves the socio-economic conditions and effectively reduces economic migration in rural population. (Figure 4) Specifically, the pursuit of transport infrastructure projects outside metro manila which essentially connected

⁸ The term economic distance has been used in select and sophisticated research to explain patterns of trade, migration, capital flow, and availability of information as a function of geographical distances. The most recognized and prominent literature on "economic distance" or more extensively the "Cultural, Administrative, Geographic, and Economic differences or distances" or simply the CAGE model finds reference to Pankaj Ghemawat. Other literature include the World Bank Report entitled Reducing the Economic Distance to Market in 2004, David Hughes who studied the correlates of economic distance in urban and rural villages at the household level.

conflict afflicted areas to the main markets provided not only opened employment opportunities but also a safe passage to the locals. The costs of transport declined with the increased connectivity following the economies of scale and more importantly, the livelihood projects of the local government units effectively reduced the incentive of resorting to insurgency. At the local level, evidence which suggests enhanced internal security conditions and the incidence of insurgency-induced conflicts reduced with the increased spatial connectivity and improvement of road condition have been provided by no less than De Castro (2010) and quite recently Ambassador Kenneth M. Quinn (2014).⁹

Figure 4. The inverse correlation between the distance of (left) paved and (right) unpaved roads with the socio-economic indicators



Sources: Road indicators (DPWH); employment, trade, and exports (PSA); population, rural population, and FDI (World Bank)

B. Geographic segmentation and spatial econometrics

1. Case 1: Poorest provinces

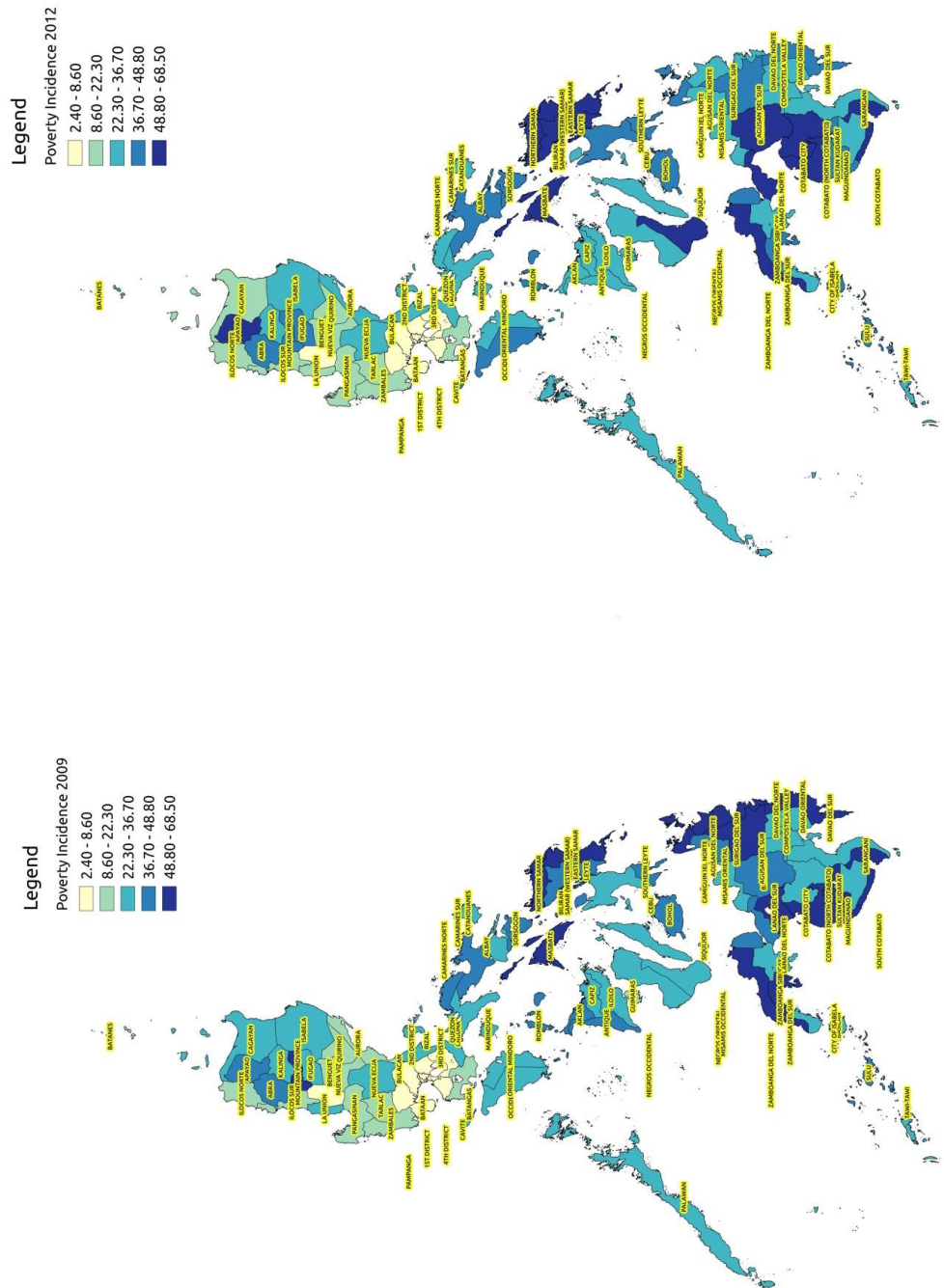
The results of the geographic segmentation show that the incidence of poverty is highest in majority of the provinces in Mindanao, which also have the lowest density of paved roads. In the northern part of Luzon, Apayao which is in the top 10 poorest province is also in the corridor of the weakest spatial connectivity. Similarly, Eastern Samar in the Visayas is characterized not just as weakly connected but also of very poor road condition.

The OLS results that the density of paved roads are significant and positive with respect to labor productivity and wage rate in Mindanao. In Apayao, the aggregate road distance is a significant and positive determinant of productivity and wage rate. As expected, the impact of increasing the density of paved roads in the selected areas is significant and negative. This provides evidence to the hypothesis that increasing the spatial connectivity provides access to employment opportunities or vocation with higher returns, a phenomenon invariably referred to labor arbitrage.

From the segmentation and regression performed, a high and positive correlation is noted between areas of extremely weak spatial connectivity and the incidence of poverty. Moreover, the productivity levels are lowest in areas where paved roads are limited and substantial amount of labor force remains underutilized.

⁹ Ambassador Quinn elaborated in his article at the *National Geographic* entitled *Want to Make a Dent in World Hunger? Build Better Roads*, "The most amazing change, however, was the impact that the new upgraded road had on security. Villages once beset by insurgents and underground guerrillas now became safe to travel both day and night. As the new road opened the way for commerce, information, and opportunities, young people no longer were enticed to join political military movements and uprisings."

Maps 4 and 5: Results of the geographic segmentation at the national level



Map 6: Results of the geographic segmentation at the local level

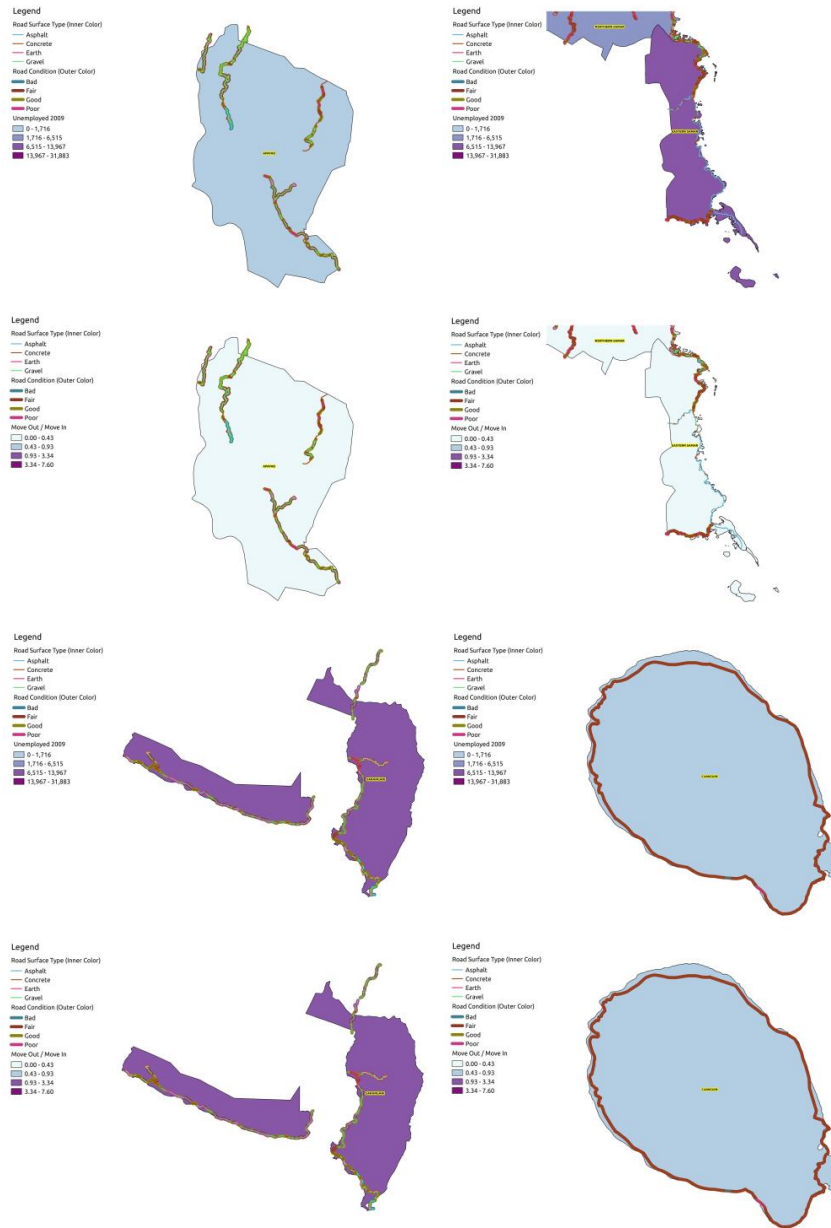


Table 2. Regression results for the poorest provinces
Dependent variable: Labor productivity

	Eastern Samar	Apayao	Camiguin	Saranggani	Agusan del Sur
Length of concrete national road					
Coefficient	1,083.26	-146,970	114,377	-802	-43
p-value	0.0008	0.5022	0.0036	0.3415	0.9053
Length of Asphalt road					
Coefficient	43,370		243,657	-3,770	3,049
p-value	0.4144		0.0040	0.6683	0.0282
Length of gravel national road					
Coefficient	678.39	-2,412.66			
p-value	0.0142	0.0001		-7,722	2,805
p-value	0.9012	0.9598		0.0639	0.1091
Total length of national road					
Coefficient		1,498.05	-92,721		
p-value		0.0001	0.2517		
R squared	0.9012	0.9598	0.9037	0.9913	0.9101

Dependent variable: Wage rate

	Eastern Samar	Apayao	Camiguin	Saranggani	Agusan del Sur
Length of concrete national road					
Coefficient	1.0380		74.62	2	1
p-value	0.0001		0.0032	0.0013	0.0904
Length of Asphalt road					
Coefficient	-50		176.82	1	2
p-value	0.0821		0.0022	0.7647	0.0732
Length of gravel national road					
Coefficient	0.7228	-1.9447		4	1
p-value	0.0010	0.0001		0.0482	0.4077
Total length of national road					
Coefficient		1.1087	93.14		
p-value		0.0001	0.0960		
R squared	0.9520	0.9564	0.9287	0.9913	0.9753

Dependent variable: Unemployment rate

	Eastern Samar	Apayao	Camiguin	Saranggani	Agusan del Sur
Length of concrete national road					
Coefficient	0.8229	-0.0582	-1.5896	0.0154	0.1699
p-value	0.3485	0.0006	0.0896	0.6502	0.0052
Length of Asphalt road					
Coefficient	-0.0293		-3.5260	4.1742	0.2680
p-value	0.0345		0.0863	0.0000	0.0080
Length of gravel national road					
Coefficient	0.0478	20.7321		0.5032	0.2206
p-value	0.0000	0.1077		0.0000	0.0024
Total length of national road					
Coefficient		0.0625	-3.3821		
p-value		0.0004	0.2251		
R squared	0.9729	0.9066	0.916	0.9842	0.8074

2. Case 2: Emerging business hubs

The segmentation levels indicate higher density of paved roads in Pampanga and Batangas, areas which are also economic zones with the former which is a Freeport zone and the latter as an industrial hub. The maps also show that the connectivity is relatively higher in the northern corridor but only within the area while the access to national highway is somewhat imbalanced in the periphery or the outskirts of these business hubs. In southern Luzon, Batangas does not only have high paved road density the areas are also well connected.

These findings coincide with the regression results, with paved roads as a significant and positive determinant of labor productivity and wage rate across the provinces. Unemployment level, similar to the previous case, declines with the corresponding improvement in spatial connectivity.

Map 7: Results of the geographic segmentation at the local level

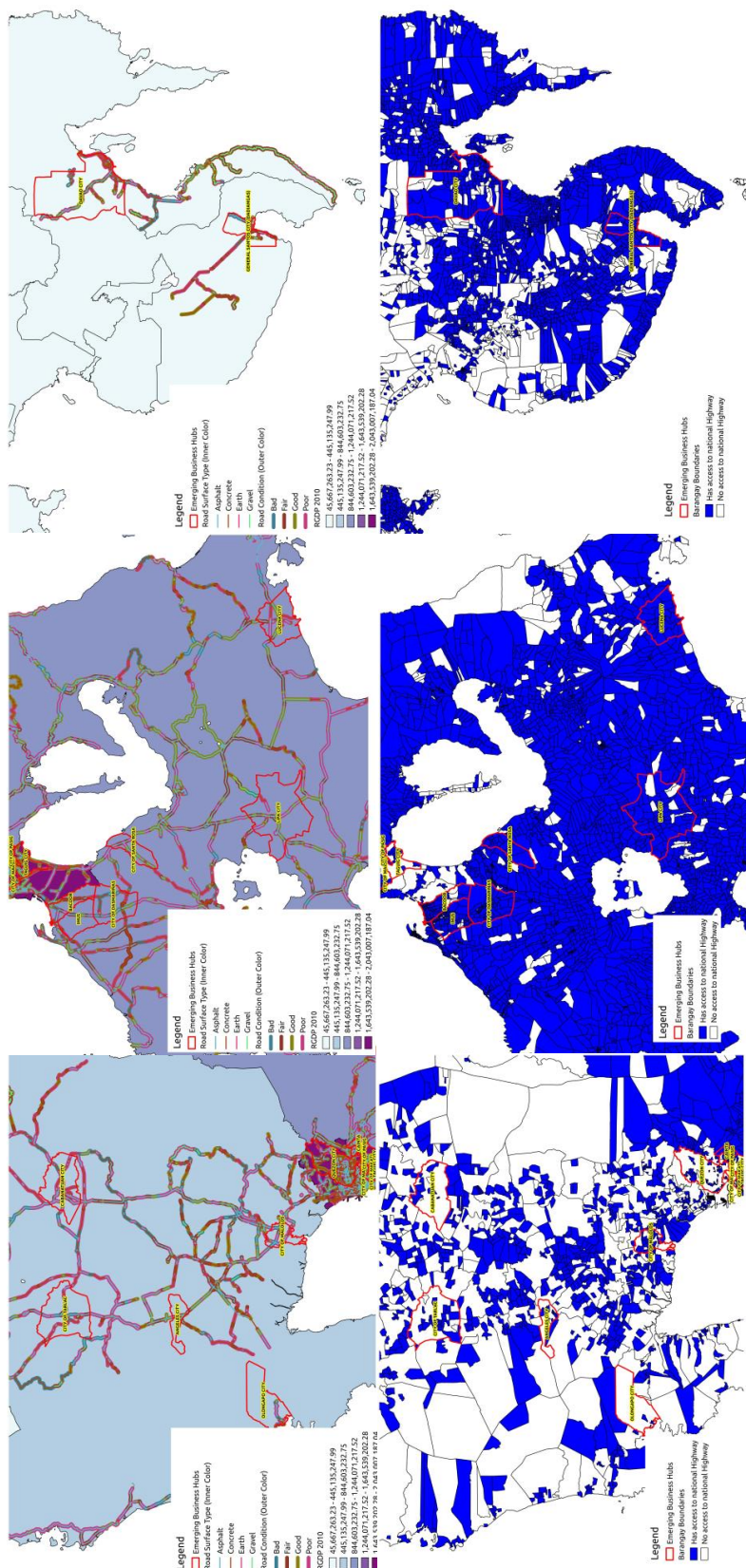


Table 3. Regression results for the emerging business hubs

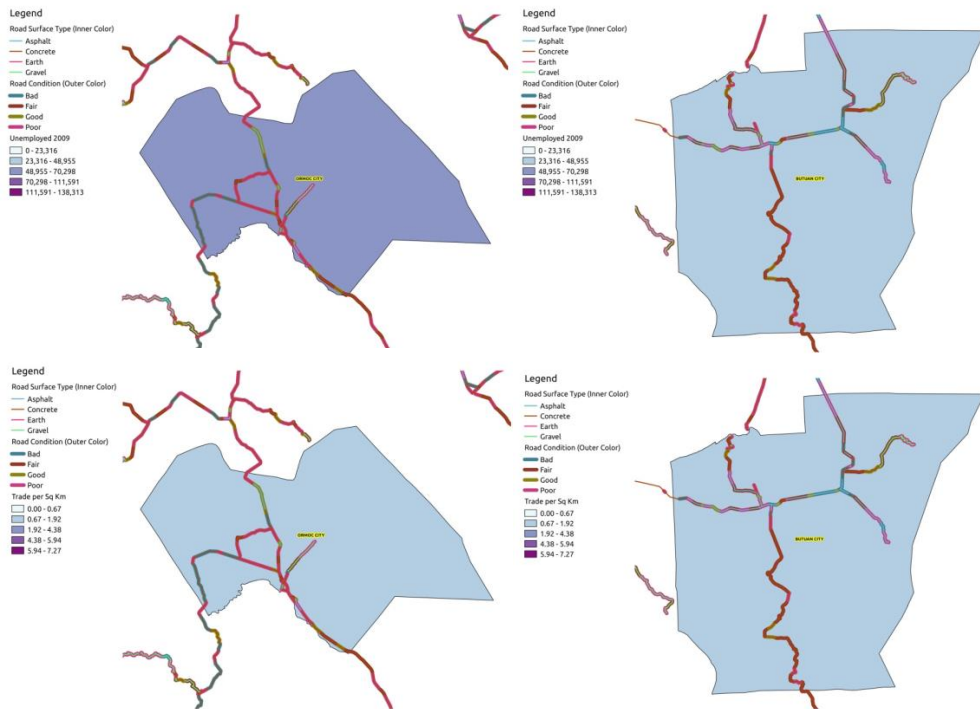
Dependent Variable: Labor productivity					
	Batangas	Benguet	Davao del Sur	Pampanga	Tarlac
Length of concrete national road					
Coefficient	4,387	800.80	1,227.32	1,781.66	-1,049
p-value	0.8019	0.0001	0.0003	0.0006	0.6017
Length of Asphalt road					
Coefficient	3,372	-3,437.25	451.69	2,472.22	1,454
p-value	0.8644	0.0075	0.0173	0.0000	0.0226
Length of gravel national road					
Coefficient	-5,781	-177	497	4,053	240
p-value	0.8556	0.6499	0.0467	0.6418	0.9885
<i>R squared</i>	0.9433	0.9619	0.9392	0.9894	0.9899
Dependent Variable: Wage rate					
	Batangas	Benguet	Davao del Sur	Pampanga	Tarlac
Length of concrete national road					
Coefficient	-1	0.6714	1	1,781.66	-8
p-value	0.7486	0.0000	0.0000	0.0006	0.1076
Length of Asphalt road					
Coefficient	0	-3.3116	1	2,472.22	2
p-value	0.9857	0.0001	0.0000	0.0000	0.0521
Length of gravel national road					
Coefficient	-1	0	1	-2	-53
p-value	0.8055	0.0362	0.0000	0.9346	0.1824
<i>R squared</i>	0.9923	0.9876	0.9973	0.9894	0.9061
Dependent Variable: Unemployment					
	Batangas	Benguet	Davao del Sur	Pampanga	Tarlac
Length of concrete national road					
Coefficient	1.6913	-0.0371	-0.0018	-0.5275	0.3992
p-value	0.0029	0.0058	0.8294	0.0004	0.0222
Length of Asphalt road					
Coefficient	1.7554	0.2356	-0.0670	-0.8700	-0.1945
p-value	0.0042	0.0084	0.0023	0.0008	0.0011
Length of gravel national road					
Coefficient	2.5503	0.0486	-0.0211	-3.7857	-1.6739
p-value	0.0065	0.0114	0.1385	0.0008	0.1646
<i>R squared</i>	0.9352	0.7221	0.9406	0.9581	0.9581

Case 3: Rural provinces

From the geographic segmentation, the selected areas not only have the highest number of rural households, these areas also vary across levels of connectivity. For instance, Bulacan is a relatively well connected with adequate paved roads. However, the unemployment level is high amidst an impressive trade volume. Meanwhile, the remaining provinces have less paved road density, with relatively lower unemployment levels and trade volumes. These observations suggest dependence on agricultural activities across cases as well as the stark contrast based on the “economic distance” of each province.

The regression results indicate a significant impact of increasing the length of paved roads to the labor productivity and wages across the selected provinces, especially in Mindanao and Central Luzon. Note that the degree varies by the density of paved roads, for instance the impact is negative in Lanao del Norte, Leyte, and Quezon as are relatively more connected compared to the other provinces in Mindanao. Similarly, the non-responsiveness to wage differential is observed in Bulacan, a province with one of the highest scores in paved road density.

Map 8: Results of the geographic segmentation at the local level



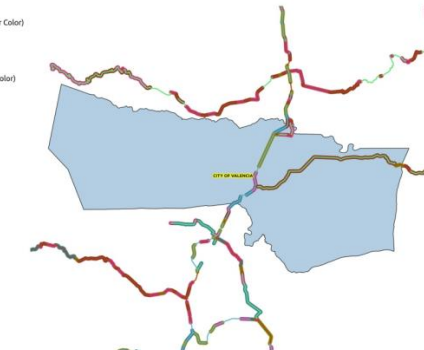
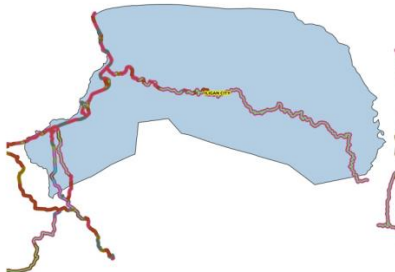
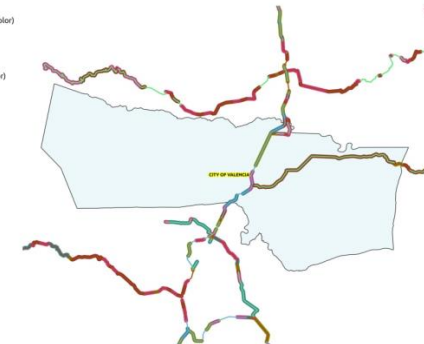
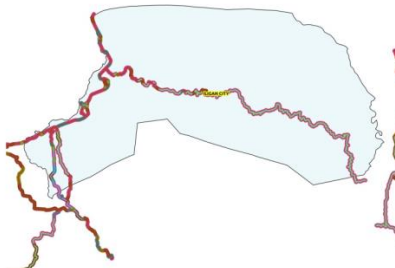
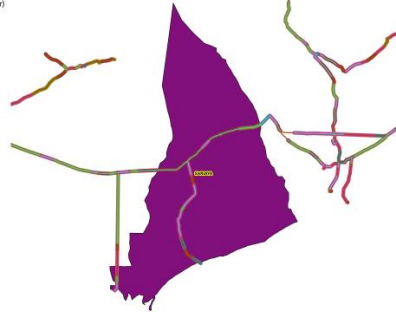
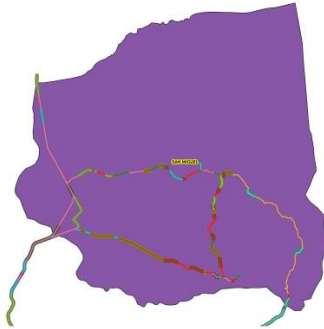
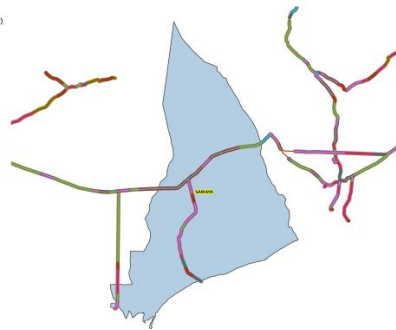
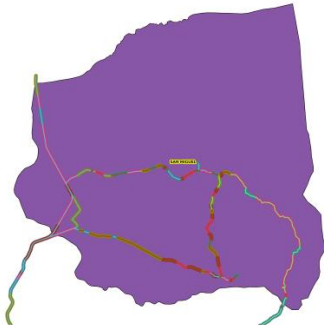


Table 4. Regression results for the top rural provinces

Dependent Variable: Labor productivity						
	Agusan del Norte	Bukidnon	Bulacan	Lanao del Norte	Leyte	Quezon
Length of concrete national road						
Coefficient	-1,722.63	4,049	2,545.84	-1,353	-53	509
p-value	0.0104	0.0438	0.0000	0.1923	0.7518	0.3137
Length of Asphalt road						
Coefficient	60,146	6,467	1,973.08	-5,612.41	541	-466
p-value	0.0362	0.0536	0.0002	0.0043	0.4211	0.7636
Length of gravel national road						
Coefficient	-2,639.83	5,938	3,526	2,209.32	-68	-1,625
p-value	0.0050	0.0592	0.9428	0.0012	0.8428	0.0375
<i>R squared</i>	<i>0.7649</i>	<i>0.9037</i>	<i>0.9899</i>	<i>0.86</i>	<i>0.9147</i>	<i>0.9443</i>
Dependent Variable: Wage rate						
	Agusan del Norte	Bukidnon	Bulacan	Lanao del Norte	Leyte	Quezon
Length of concrete national road						
Coefficient	0.5652	0	16	0.5156	0	0
p-value	0.0458	0.8695	0.1601	0.0004	0.0243	0.2410
Length of Asphalt road						
Coefficient	1.9086	-0.4757	13	0.8088	0	1.3881
p-value	0.0000	0.0009	0.1826	0.0270	0.7868	0.0006
Length of gravel national road						
Coefficient	58	-0.4819	-147	-1	0	-0.4327
p-value	0.3885	0.0001	0.2031	0.6151	0.5956	0.0042
<i>R squared</i>	<i>0.9709</i>	<i>0.9283</i>	<i>0.9061</i>	<i>0.8645</i>	<i>0.9753</i>	<i>0.787</i>
Dependent Variable: Unemployment rate						
	Agusan del Norte	Bukidnon	Bulacan	Lanao del Norte	Leyte	Quezon
Length of concrete national road						
Coefficient	0.1928	-0.0133	0.5448	-0.0537	-0.0084	-0.0289
p-value	0.0006	0.0004	0.1217	0.1402	0.1509	0.0197
Length of Asphalt road						
Coefficient	3.7719	-0.0179	0.1582	0.2588	0.2151	-0.1458
p-value	0.0369	0.0029	0.0007	0.0012	0.0001	0.0061
Length of gravel national road						
Coefficient	0.1032	0.0504	-0.9057	-0.0860	0.1387	-0.0433
p-value	0.0363	0.5719	0.0001	0.0008	0.0000	0.0371
<i>R squared</i>	<i>0.8919</i>	<i>0.9099</i>	<i>0.9290</i>	<i>0.8645</i>	<i>0.9777</i>	<i>0.787</i>

Conclusion and recommendations

The geographic segmentation provided a visual presentation of the road conditions against the socio-economic progression which reflects the impact of different levels of spatial connectivity on productivity, wage rates, and unemployment. Specifically, spatial connectivity is a significant determinant across the socio - economic variables at the local and national scope.

The regression results on the other hand provided robust evidence highlighting the capacity of enhanced network connectivity to reduce poverty-inducing factors, reduce economic distance and increase trade potential for emerging business hubs and sub-regional growth areas, and promote local markets, agro-industries, and direct employment opportunities in rural areas.

A. The condition and type of road has significant and direct impact on the productivity levels, trade potential, and employment and wages levels across geolocation.

From the geographic segmentation and regression in the poorest provinces, the results provide clear and substantial evidence of extremely weak spatial connectivity within the provinces. Moreover, the roads in these provinces are mostly unpaved while the paved roads are of poor condition. In the case of the emerging business hubs, the segmentation and regression indicate higher productivity levels in areas with denser paved roads. Specifically, areas where majority of the roads are paved and in good condition have significantly higher productivity levels as indicated by its RGDP. Moreover, the distance of paved and quality roads explain the variations in the productivity levels. Specifically, as the condition of road networks improve; the trade barriers are reduced with preference for local transport rather than air or water transport and labor force in remote areas gain access to cheaper and more transportation modes which effectively connects them to the employment opportunities in these business hubs. The segmentation and regression results in the case of the rural areas also yield significant and positive impact. Specifically, rural areas which are strategically and closely linked to the national highways and major growth areas or hubs have higher productivity levels than provinces with mostly unpaved and poor condition roads. This is primarily attributed to the decline in the economic distance which invariably reduces the costs on production and transportation. In effect, this study strongly recommends that the National Government specifically the DPWH should fast track the road infrastructure projects and prioritize the areas where poverty incidence is highest where growth potential is greatest, and rural villages are concentrated induces trade and effectively reduces poverty, links untapped labor force to employment opportunities, eases congestion in the metropolitan areas, encourages investments and foreign entities to explore these areas for business operations, and helps in the creation of a larger production network which is necessary as we move into the ASEAN economic integration. It is also fitting to emphasize the necessity to extend the distance of good quality paved roads at the barangay, municipal, and provincial level.

B. Weak spatial connectivity impedes growth, limits trade capacity, and exacerbates the socio-economic disparities.

The weak road linkages are quite evident across the poorest provinces examined. From the maps, the roads extend mostly along the periphery and very few roads are present to connect the internal municipalities. This explains two critical observations which relates to the poverty incidence: first, weak connectivity not only impedes the supply chain and essentially limits the trade potential within municipalities, it also serves as a barrier for markets to actually exist in smaller areas such as villages would could provide direct employment opportunities to the households especially those who are highly dependent on agriculture and fisheries. Increasing spatial connectivity effectively links smaller production areas to larger markets. This also enables local industries to thrive as this provides an opportunity to be integrated in a bigger production chain which not only caters to local consumers but also into the export segment. Also, making smaller villages accessible by creating roads across municipalities encourage tourism penetration which not only directly provides local employment opportunities as these mostly require low non-technical skills i.e. service for bed and breakfasts, small hotel operations, processing of native delicacies, etc. This in effect provides incentives for local households not to move to the city for employment opportunities only to fail due to skills mismatch. The segmentation and regression results in the emerging business hubs provides a clear and accurate picture of the direct relationship between spatial connectivity and productivity- the level of spatial connectivity is directly proportional to the level of productivity. As smaller areas gain access to national highways, the trade potential increases, economic distance along with transportation and

production costs declines, adjustments in wage rates occur, and the gross output increases. This impact is further magnified as these business hubs become effectively linked to form a homogenous production network across the country.

In the rural areas, the findings are similar to the previous cases. Specifically, the areas where rural households are located have very limited roads, most of which are unpaved. The trade volumes are low, which is attributed to the high economic distance, unemployment levels are high due to the limited opportunities vis-à-vis the low wage rates associated with these jobs. On the administration of basic services and government programs, the difficulty in penetration further constrains national agencies to effectively reach their target households during surveys, campaign programs, information drive, and participatory projects. Moreover, the relative inaccessibility of areas without roads makes them convenient and conducive breeding grounds for insurgents, a phenomenon which has plagued Eastern Samar for almost half a century.

Succinctly, improving the spatial connectivity with emphasis on the poorest provinces, the emerging business hubs and growth areas outside the metropolitan areas, and predominantly rural provinces is key in alleviating poverty, eliminating trade barriers, encouraging foreign investments, and attracting local and foreign tourists. Given the significantly weak connectivity in the poorest provinces, these areas should be the main priority. Also, it is imperative that all provinces comply with the reportorial requirements related to the profiles and design of their respective local transport infrastructure. This recommendation is made due to the observed unavailability of data in Mindanao which incidentally has the majority of the poorest provinces in the entire country.

The role of the Local Government Unit in planning its local road infrastructure in close coordination with the central government under the strategic convergence initiative is critical in ensuring that the roads are strategically designed to create a network which will support its production chains, develop new industries endemic in its locale, and integrate with a larger production base connected to the major trade hubs in key urban areas. The integration of road infrastructure design in the master development plans of the emerging business hubs is very important as these should be strategically linked and flexible to accommodate the demographic changes in the next decades and promote sustainable development. Also critical in the planning of the road infrastructure is the adoption of safety security policies which are commonly implemented in the ASEAN members. This will provide not only provide investor confidence but also provide a higher sense of commitment as a member of the ASEAN economic community.

To address the fiscal constraints on capital-intensive infrastructure projects, project financing schemes should be further explored. While the Government shows keen preference for private-public partnership, other options and alternatives should be reviewed for possible exploration. The concern on the former is anchored on the accounts noted in similar infrastructure projects in other countries as discussed in the previous sections.

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Facilitating Recipient Ownership and Participation in Project Preparation and Appraisal under South-South Cooperation: NEDA Experiences in Lao PDR

(15)

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Abstract

There has been increasing interest in South-South Cooperation (SSC) in recent years of development effort. This trend claims the greater benefits of recipient countries engaging in SSC rather than engaging in NSC (North-South Cooperation) as SSC brings out the expertise and comparative advantage of southern development partner. This study focuses particularly on South-South bilateral cooperation and investigates into the condition within S-S cooperation that enables recipient's participation and ownership which are important issues emphasized by the 8th Millennium Development Goal. In general, the level of recipient ownership is the extent to which recipient countries are treated as drivers of the car who set the course (Wolfensohn, 1999), while, ideally, donors help inject extra fuel in the tank if the car is heading into the right direction (The Financial Times, 21 Aug 2001).

This study provides an analysis and evaluation of the measures that NEDA (Neighbouring Countries Economic Development Cooperation Agency) as Thai Government's donor agency facilitates recipient ownership and participation in south-south development project with particular focus in preparation and appraisal stage of project life cycle. Road improvement project between Thai and Lao PDR starting from Baan Tadthong to Ban Namsang (so called R11) with the total distance of 82 Km is chosen for analysis.

Based on interview with experts and government officials involving in the selected SSC project, the study will analyze factor that explains participation and recipient ownership that emerges during the preparation and appraisal stage of project life cycle. "*Participative view*" is employed to analyze the recipient participation and ownership on the project. Scholars who subscribe to the participative view believe that recipient ownership in aid relationship is high when the power of the beneficiaries or recipients is strong.

The study reveals the characteristics of aid delivery process in S-S cooperation and identify factor that allows strong recipient ownership and participation. This research is also important in that it helps explain why SSC is a preferred aid modality than North-South Cooperation (NSC).

Keywords: South-South Cooperation (SSC) / Recipient Ownership/ Thailand's Official Development Assistance (ODA)/ North-South Cooperation/ Lao PDR

Introduction

There has been increasing interest in South-South Cooperation (SSC) in recent years of international development cooperation as low-and middle-income countries (LMICs) are considered capable of supporting research and knowledge transferring/sharing to less advanced developing countries. This trend argues for the greater benefits of recipient countries engaging in SSC compared with North-South Cooperation (NSC). Supporters of SSC claim that such aid modality brings out the expertise and comparative advantage of southern development partner. This study looks into South-South bilateral cooperation and assesses whether the context facilitates recipient's sense of ownership¹ which is important issue emphasized by the 8th Millennium Development Goal.

Promoting recipient ownership is also important issue international development coordination from donor's perspective. Thailand as an emerging donor in GMS region found promoting recipient's sense of ownership is crucial for success and sustainability of development project. To exemplify, some construction projects are left in a damaged condition and have no budget allocated for maintenance after projects was handed over to the recipient country. As a consequence, the development outcome may underperform and does not promote regional economic development as

¹ In brief, the level of recipient ownership is the extent to which recipient countries are treated as drivers of the car who set the course (Wolfensohn, 1999), while donors help inject extra fuel in the tank if the car is heading into the right direction.

expected. Such circumstance thus requires that Thai government emphasizes a strategy to promote recipient's sense of ownership in its ODA endeavor to neighboring countries.

Located this study in the context of South-South Cooperation, this paper provides an analysis of the aid relationship between Thailand and Lao PDR during project identification, preparation and appraisal stage of project life cycle. Using a case of Thailand's ODA into Lao PDR for road improvement project starting from Baan Tadthong to Ban Namsang (Lao PDR National Road No.11), I attempt to understand a specific approach and mechanism of Thailand's role as donor to encourage the formation of recipient ownership during project life cycle.

Based on interview with experts and government officials responsible for the project such as NEDA (Neighbouring Countries Economic Development Cooperation Agency of Thai government), the study presents factors that explain the emerging of recipient ownership. "*Participative view*", which emphasizes that high recipient ownership in aid relationship emerges when the power of the beneficiaries or recipients is strong, is employed to analyze the extent of recipient ownership in the project.

Studying NEDA experiences in Lao PDR not only provides understanding of the role of emerging southern donor such as Thailand in GMS but also assesses specific condition in and claimed benefit of south-south cooperation whether it is a preferred aid modality than North-South Cooperation (NSC). I try to present that NEDA effectively enables recipient ownership due to 1) its demand-driven approach employed to work with recipient country, 2) openness and transparency in project life cycle, and 3) trust established in donor-recipient relationship, especially at personal level that helps facilitate formal work procedure.

Two models of bilateral aid cooperation and development consequence: Recipient ownership in NSC and SSC

North-South Cooperation (NSC) is a traditional form of cooperation that is understood to enable a dependence in which a country or group of countries relied on Northern expertise. In this sense, NSC reflects a relative power of donor-recipient relationship, intentionally or unintentionally, in particular on power, participation, trust, sustainability, and mutuality (Johnson and Wilson, 2006). In practice, there are also inevitably inequalities in NSC, as manifested by different values placed on individual knowledge and different agenda setting as well as material, human and financial resources. There power relations and inequality embedded influences working relationship of north-south development partnership to some extent.

A major challenge which is quite apparent in N-S cooperation is thus the unequal participation originating from a variety of different resources, power relations, knowledge, capacities and capabilities as well as assumptions, perspectives, agendas and expectations. Thus NSC is inherently an unequal partnership which reflects a low degree of recipient ownership.

Meanwhile, the claimed benefit among development scholars and practitioners now a day is that South-South Cooperation (SSC) is critical to development of developing countries because of its flexibilities in transferring both expertise and experience among the southern partners. SSC is argued to be able to improve their individual and collective capacity for dealing with the development challenge they are facing together. Today, a number of developing countries including Thailand have embarked a framework that enables knowledge sharing/transferring with recipient partners in their predetermined fields in which they have demonstrated expertise. In turn, the southern/emerging donors themselves benefit from understanding of development challenges faced by the recipient of development assistance, and enriched their own approach to handle issues they themselves face.

A rational behind S-S Cooperation is the recognition and appreciation of the rich expertise of low-and middle-income countries (LMICs) which may be more relevant to the needs and circumstances of the southern partners, but formerly was ignored by international development community. Advocated by similarities in country's development level and challenges, SSC is believed to better facilitate recipient countries to harness capacities of the more advanced developing countries by transferring their relevant experiences and successes to other less advanced developing countries or recipients. SSC is thus argued as a mode of cooperation that is cost-effective, compared with traditional mode of N-S cooperation.

Stronger recipient participation in bilateral cooperation is therefore the enabling condition for aid effectiveness resulting in superior development results. This is supported by Jerve and Hansen (2008) who argue for the relationship between general aid relationship and the development outcome of recipient country.

As far as my knowledge, a few works undertaking research in south-south cooperation has tried to understand the role of southern donor in deliver process and consequences on development results. This study aims to address the gap and examine strategy employed by southern donor to facilitate recipient ownership

Approach for analysis: Participative view of recipient ownership

International development organizations have emphasized the importance of ownership and participation in donor-recipient relationship. As emphasized by James Wolfensohn, former World Bank President in his Comprehensive Development Framework, allowing a recipient of aid to take control the car in driver seat and set course is crucial for the true ownership of recipient country; meanwhile, donors should help inject extra fuel in the tank if the car is heading into the right direction.

From “*participative*” view, scholars propose that recipient ownership on development project is high when the power of the beneficiaries or recipients is strong. The term ownership refers to roles and responsibilities and ultimately to power, and signifies a bundle of rights in a process of planned development in setting the agenda, allocating resources, and designing and implementing development programs (Jerve and Hansen, 2008). This is similar to Moore’s indicators of recipient ownership (1996): 1) the extent of influence by the intended beneficiaries on the conception, design, implementation and operations as well as maintenance of development project, 2) the extent to which the implementing agencies that influence the project are rooted in the recipient and represent the interests of ordinary citizens, and 3) the extent of transparency and mutual accountability among the various stakeholders.

In practice, achieving strong ownership also places some requirements on donor’s role and recipient country. In donor-recipient relationship, it is commonly agreed that donors are responsible for facilitating participation of recipient government and local agency in such a way that recipient ownership can emerge. Donor should enable the condition for recipient country to make up its own policy and project initiation (Ohno and Ohno, 2008) by demonstrating the legitimacy of its policy idea and carefully considering the recipient country’s specific need (Shimomura, 2008) as well as facilitate recipient’s involvement and decision in implementation stage (Wajjwalku and Tasarika (2008). In this paper I examine theses elements of ownership during 1) project identification stage, 2) project preparation and appraisal stage, and 3) project approval stage, in particular, using a case study of road improvement project connecting Ban Tad Thong - Ban Nam Sang Bridge - Sang Thong District (National Road no. 11) in Lao PDR.

This paper tries to present that NEDA effectively facilitates ownership of recipient country due to its demand-driven approach employed to work with recipient. I contain that recipient ownership that emerge requires both donor and recipient to strengthen 1) an open and transparent process throughout project life cycle 2) trust and understanding in all level of donor-recipient relationship. It is also presented that friendship at informal or personal level help facilitate recipient ownership in formal work procedure during project life cycle.

Research methods and analysis

Selection of cases

As we want to understand ownership which is a complex matter within the development cooperation, the preference in case selection is given to loan project which more procedure and negotiation involved. I therefore selected Thailand’s infrastructure development aid in Lao PDR for investigating.

The recently completed¹⁰² road improvement project between Thai and Lao starting from Baan Tadthong to Ban Namsang (R11) with the total distance of 82 Km is selected. Two types of financial assistance provided by (NEDA) are: 1) loan of 974.4 Million Baht and 2) grant of 417.5 Million Baht. The project aims to help Laos make a connection with Ching Mai – Vientiane Economic Corridor which is a part of The Greater Mekong Sub-regional (GMS) Project. It is also expected that the project can facilitate road transportation between Thailand and Lao PDR and brings about trade opportunities, investment and tourism in the GMS sub-region as a result.

Data collection

Published materials including academic papers, policy documents, annual reports, public documents, and selected websites of relevant bodies are used as basis for understanding the donor-recipient cooperation of the selected projects. Subsequently, data collection from open-end, face-to-face interviews with government officials in the R11 project is analyzed. Interviews were conducted with key informants including policy makers, officials, experts who involved with the aid projects. Key informants from NEDA are identified purposively as the study requires information from experts who involve with the deliver process of aid. To prevent selection bias, this study approached knowledgeable informants from a wide variety of relevant bodies, who can deliver diverse views when explaining the focal issue of interest (Eisenhardt and Graebner, 2007). Such technique is employed for ensuring the quality of data and finding.

Open-end interview questions, including core questions mainly about the approach and strategy of NEDA to facilitate recipient ownership, questions on recipient's participation based on preliminary documentary analysis, are designed to obtain a breadth and depth data of the selected projects. Interview are recorded and transcribed for ease of the analysis. With the interview methods above coupled with data analysis employed, the validity of findings is expected to improve.

NEDA's development assistant strategy in Lao PDR

The Neighbouring Countries Economic Development Cooperation Agency (NEDA) was established in 2005 in order to serve as Thailand's international development agency implementing the government's international economic policy. Under supervision of the Ministry of Finance, NEDA functions in adherence to the policy of the government to promote relationships and cooperation toward proliferating bilateral trade, tourism, and investment at the sub-regional, regional level and bilateral cooperation framework, mainly in neighbouring countries; namely, Cambodia, Lao PDR, Myanmar and Vietnam as well as Bhutan, Sri Lanka and Timor-Leste. The scope of cooperation includes financial and technical assistances which aim to enhance greater connectivity, standard of economic infrastructure and social development for the targeted recipients.

Lao PDR is considered an important country for Thailand's international economic policy in the region due to its location connecting Thailand with Greater Mekong Sub-region (GMS) through, for instance, Road No.3, No.6, No.8 and No.12 which are important trade lanes between Thailand with both GMS and China. Its strategic importance is also reflected in NEDA's ODA strategy to strengthen connectivity with Lao PDR. Approximately 90 percent of NEDA's total financial assistance (more than THB 10,000 million; as of September 2014) thus concentrates in transportation and infrastructure development projects (e.g., Road, Airport, Permanent border, Bridge and Rail road that connect Vientiane to the seaport) both within Lao PDR and between Thailand and Lao PDR. This concentration points to the need of Thailand to foster regional and border trade through its ODA strategy with neighboring countries.

Such concentration of Thai ODA in Lao PDR may be explained by considering Lao government's economic development policy and Thailand's attitude toward Lao's economic development together. Meanwhile, Lao government very much emphasizes the need to transform "land lock" country to "land link" country, Thailand's regional economic policy makers also realizes that the wealth of Lao PDR is the stability and prosperity of Thailand. This is perhaps the basis of international development cooperation for both countries. It is shown Thailand's ODA strategy actually is laid on the same line with Lao PDR's economic development plan.

² The project was completed in July 2014.

Demand-driven approach by NEDA's ODA endeavor

NEDA's development assistance plan for Lao PDR lays on demand-driven approach - that is to start from listening to the needs of recipient country as well as project ideas/initiatives at provincial level, and then consider if those proposed projects are consistent with Lao PDR's economic and social development. In addition, there is a consultation session between NEDA and Lao's Ministry of Finance to update economic data in order that Thai ODA plan complements the development goal of Lao's government.

In practice, the development assistance plan for Lao PDR will be made every 3 years. The 3-year plan helps ensure that Thailand's ODA to Lao PDR is in line with Thai government's international economic policy in GMS and neighboring country policy set by the Ministry of Foreign Affairs, as well as make sure that the plan strategically consistent with the need of both donor and recipient countries.

It should be noted that, while Thai ODA shows demand-driven from recipient, NEDA also coordinates with other donor agencies for better allocation of resources to recipient country. NEDA participates in donor agency meeting every year with other agencies such as Korea's EDCA, Japan's JICA and China's EXIM Bank in order to update their ODA information and projects into Lao PDR to avoid duplicated ODAs.

Another aspect of demand-driven approach is that NEDA executive very emphasizes that doing aid must not make neighboring countries feel inferior, but to show the true friendship it the relationship. They has set a policy for NEDA staffs to establish friendship at individual or informal level with a strong believe that friendship helps deliver better ODAs to the recipient. It is clear that NEDA intentionally makes use of friendship at individual level to assist each stage in project life cycle. Such strong tie emerges from continuous working in several projects between NEDA and Lao officials until both sides get familiar with Thailand's ODA procedure and the operation of Lao's government. From NEDA's standpoint, friendship is very important mechanism for NEDA to ensure that its ODAs are doing smooth as more than 90% of total NEDA's financial assistance is allocated into Lao PDR. The next section shows that friendship tie is an important mechanism for both countries to enable recipient's strong ownership in ODA project.

Enabling participation and ownership: A case study of financial assistance for road construction from Baan Tadthong to Ban Namsang (Lao PDR National Road No.11)

Case background: **Lao PDR Road No.11** is the national highway leaving from Vientiane, but it was only national highway that is made of laterite. Lao government therefore initiates to improve the road between Baan Tadthong and Ban Namsang with a road access to Nam Sang City. The city is only 50 kilometers from the capital Vientiane, but requires more than 3 hrs to travel to the city. The city is ranked one of the poorest cities in the country and people there are living below the poverty line. With financial assistance from Thailand, the road construction from Baan Tadthong to Ban Namsang was completed in August 2014. At the opening ceremony, the Prime Minister of Lao PDR announced that the city will not be cut off from the world outside and people there will soon extricate from poverty.

It should be noted that National Road No.11 is a part of Chiang Mai - Vientiane Economic Corridor (CVEC) that Thailand and Laos have initiated together. CVEC is a shortcut between Northern Thailand to Vientiane. It is estimated that, when CVEC completed, the travel time will only take 3-4 hrs. At the moment, travelling from Northern Thailand to Vientiane has to drive back to Indo-China intersection in Phitsunulok Province. From Thailand's viewpoint, R11 also support Thailand's strategy to push forward Phu Doo Border Point of Entry to be an international trade gateway on Chiang Mai - Vientiane Economic Corridor.

NEDA always emphasizes that this project is belong to the recipient country, and requires the recipient effort to keep maintaining the project in a good condition. Thus NEDA tries to build a sense of ownership for the recipient in every phases of the project life cycle, especially during project identification stage, preparation and appraisal stage, and approval stage.

Project identification stage: At the beginning of the project life cycle, the recipient was the one who initiated project ideas and nominated a list of projects to NEDA for consideration, and then NEDA chose a possible project based on the Thailand's economic policy, development goal in GMS as well as limited financial resource. This step helps ensure that Thailand's ODA is consistent the recipient's specific need and development objectives. In turn this is a basis for establishing recipient ownership in the following steps. In recipient ownership's sense, such process shows that the donor allows the recipient to manage its own project initiations and respect to recipient's legitimacy by carefully considering its specific needs and development objectives. These elements in Thai-Lao ODA relationship reflect high level of recipient ownership as depicted by Ohno and Ohno (2008) and Shimomura (2008).

Project preparation and appraisal: In project assessment and fact finding process, NEDA emphasizes the principle of openness and transparency in process of building recipient ownership. For instance, NEDA truly opens to the opinion and comments of the recipient country's counterpart to cross check with what NEDA found or analyzed about the project. The comments will also be incorporated into the project report and model specification for the implementation stage.

Unlike the multilateral development cooperation (e.g., ADB and World Bank) that country relationship is not a concern in development cooperation, South-South Cooperation (SSC) in the context of Thai-Lao relationship is different in that country relations must be concerned. In multilateral development cooperation, there is a strict standard and guideline that recipient has to comply seriously unless the project will be immediately stopped. To exemplify, if the proposed project impacts or violates the environment or timber, the project will be suspended immediately. Meanwhile, NEDA approach is more open to the recipient in the project assessment phase. For example, NEDA is more open for the recipient country and its counterpart to discuss the issue cropped up and works to find the possible solutions together so that the project will not be suspended. Openness for counterpart's opinion and information is thus a key mechanism to achieve the high level of recipient ownership at this stage.

Nevertheless, openness strategy employed requires that the donor and the recipient shares information and assesses information accurately. NEDA allows the recipient to evaluate and response to the study by NEDA from their point of view. All comments are incorporated to modify the construction model of the project, and make sure that the model is suited to the condition and limitation of the recipient country. This preparatory technical assistance stage is particularly different from donor to donor. Some donors do not open for recipient country to participate at this stage and the whole decision is solely made in the donor country. Transparency and information sharing, especially in the stage of preparatory technical assistance, are thus critical to help the recipient reach high level of ownership.

NEDA believes that openness and transparency strategy employed increase "friendship" and "trust" in the whole project life cycle, and such special relationships/ties are carried to other ODA project and facilitate formal work procedure as well. In addition, close proximity, language and culture in South-South Cooperation in the same region enable friendship tie at personal or informal level which is important to building trust between the two countries in formal work procedure in the donor-recipient relationship. Hence, friendships at all level – personal and organizational - play a critical role in development cooperation.

Project approval: it is designated that the recipient takes full responsibility in contractor bidding and procurement process. Moreover, bidding and procurement are conducted under the recipient's own regulation because the loan given to Lao PDR is considered as the recipient's property. Again, this practice by NEDA enables high level of recipient ownership and differs from the practice of some donors. While recipients may be allowed to make its own decision in the contractor bidding and procurement, it is compulsory that recipient follows the donor's rigid guideline step-by-step. This way, it is argued that, recipient ownership does not truly emerge at this stage.

When NEDA handed over the project to Lao PDR, the speech given to Lao people clearly addressed that they tried to raise awareness of Lao people by emphasized that they are the true owner of the project and have full ownership to take care the project.

Conclusion

This study investigates NEDA's development assistant strategy using the case study of Thailand's financial assistance for road construction between Baan Tadthong to Ban Namsang in Lao PDR. The study found that NEDA employed demand-driven strategy during the project life cycle in order to help establish high level of recipient ownership. This strategy of Thailand's ODA in Lao PDR does not push the recipient to stay in inferior position as well as avoid aggressive move or ask for something in exchange of ODA. Instead, 1) respect to recipient's legitimacy by listening to their project initiation, 2) open to recipient's counter-opinion, and 3) friendship tie at personal or informal level are the key mechanisms to build trust in Thai-Lao ODA relationship, which facilitates formal work procedures in project life cycle. Recipient's sense of ownership also emerges from allowing a space for recipient's active participation at every phases of project life cycle. In addition, the finding points to the role of the southern development partner in the same region that should be emphasized and investigated further. In sum, the case study of Thailand's ODA to Lao PDA supports the claimed benefit of South-South Cooperation which is also advocated by the close proximity, language and culture in the same region.

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Myanmar's diverted export sales to Singapore: Outlook in the eve of ASEAN Economic Community

(16)

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Abstract

During the United States economic sanction against the military junta, Myanmar's international payment and settlement heavily depended on banks in Singapore. While the sanction targeted to disable Myanmar from international settlements in US dollar, Myanmar firms established shell companies in Singapore which allowed them to circumvent the sanction and keep on using US dollar in international settlement. Once Myanmar exporter accustomed to export sales diversion to Singapore, this connection persists even though the sanction was largely lifted in July 2012. Such export sales diversion imposes serious constraint on the growth in the financial sector in Myanmar.

Based on a questionnaire survey of 120 Myanmar's export firms, we empirically examine the characteristics of exporters who diverted sales to Singapore. The empirical results show that firms of foreign direct investment tended to avoid export sales diversion, whereas large Myanmar exporters tended to divert export sales. While we incline to look at investments from developed members of ASEAN Economic Community (AEC) to less-developed members, the empirical results raise a concern of opposite flows of financial resources.

Keywords: Myanmar Economic Cooperation/ Financial Sector in Myanmar/ ASEAN Economic Community/ Singapore/ Myanmar

Introduction

Capital flight, which is the leakage of financial resources from capital-scarce developing countries to capital-rich developed countries, has been a major policy issue in developing countries (Boyce and Ndikumana, 2001). Owing to the recent political and economic reforms in Myanmar, the country has a renewed prospect of integrating itself to the global economy, and the forthcoming implementation of ASEAN Economic Community (AEC) enhanced the prospect further. However, this does not necessarily mean that the issue of capital flight subsides in Myanmar.

During the period that the United States imposed economic sanctions on Myanmar, a sophisticated informal system of export sales diversion has emerged to circumvent the sanctions. It is a threat for the Myanmar economy is that export sales diversion thrives as a channel of capital flight. With the survey of export firms, we shed light on export sales diversion of Myanmar exporters.

International trade settlement in US dollar and US economic sanctions

The US dollar is the most common invoicing currency in international trade in East Asian countries. For example, in Thailand, the US dollar as invoicing currency accounted for 80.7 percent of export receipts in 2007 (Bank of Thailand, 2008). The US dollar is used for settlements of international trade for any pairs of countries not including the United States. The dominance of the US dollar as invoicing currency is related with the low transaction costs due to network externality; as the US dollar is widely used for settlements of international trade in a country, its prevalence reduces the transaction costs for others in the country to use it (Black, 1991).

International settlements in the US dollar normally go through the banks in the United States. For example, when Japanese firm imports goods from Thailand, the importers instruct banks in Japan to transfer payments to the account of a bank in Thailand. Usually, both Japanese and Thai banks maintain current accounts (corresponding accounts) in the US dollar at major banks in New York. For the transfer of funds in the US dollar from the Japanese importer to the Thai exporter, the corresponding account of the Japanese sending bank in New York is debited and that of the Thai beneficiary bank is credited. On the other hand, the Japanese bank debits the account of the importer in Japan, and the Thai bank credits the account of the exporter in Thailand. It is the usual practice that banks all over the world maintain US dollar corresponding accounts in New York for international settlements, so that they can save the trouble of maintaining accounts in every foreign country. Those Myanmar banks that engaged in international settlement services¹ used to have current accounts in New York, too.

¹ Until the Central Bank of Myanmar granted authorised dealer licences to 11 private banks in November 2011, international banking had been monopolised by state banks, namely Myanmar Foreign Trade Bank (MFTB) and Myanmar Investment and Commercial Bank (MICB).

In July 2008, the United States enacted the Tom Lantos Block Burmese JADE (Junta's Anti-Democratic Efforts) Act which targeted to disable Myanmar's international settlements in the US dollar.² This legislation referred to restrictions on the use of correspondent accounts in US financial institutions for Myanmar-related entities. Since July 2003, the Burmese Freedom and Democracy Act had imposed the general import ban on Myanmar goods. The difference between the two legislations is that the JADE Act affected non-US citizens and corporations whereas the latter affected only the US ones. The JADE Act effectively enjoined third-country financial institutions from making US dollar-denominated remittances to Myanmar since such remittances normally go through the US financial institutions. It is considered that the United States aimed to hinder the whole international trade of Myanmar to punish the junta regime.

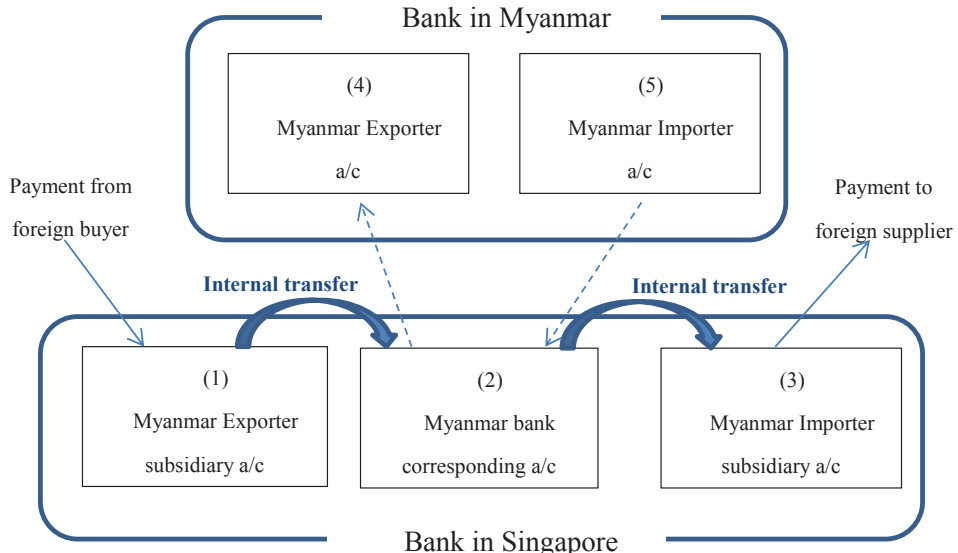
Circumvention of economic sanctions via Singapore

There were two ways for firms in Myanmar to circumvent the US financial sanctions. One was to use currencies other than the US dollar for settlements of trade. There were cases that Myanmar exporters received payments from foreign buyers in Euro, Japanese Yen and Singapore dollar. When Myanmar exporters received payments in these currencies, they had to convert them into the US dollar, and then to Myanmar kyat. Thus, the transaction costs of using these currencies were high.

The other was export sales diversion to a third country, mostly Singapore, using the US dollar without infringing the sanctions. The legislation of the United States could forbid its financial institutions not to provide banking services to entities of Myanmar, but it could not forbid third-country financial institutions from offering banking services to Myanmar outside the United States.

There were two conditions to be fulfilled for circumvention of the sanctions. First, Myanmar banks had to maintain corresponding accounts in banks in a foreign country, notably in Singapore.³ Second, Myanmar exporters and importers also had to set up shell companies in the foreign country and open bank accounts there. Figure 1 below illustrates uses of bank accounts in Singapore for the circumvention of the sanctions.

Figure 1: Circumvention of US financial sanctions via Singapore



Source: Author.

We illustrate the flow of funds for the case that a Myanmar firm exports shrimps to Japan. The exporter instructs the Japanese buyer to make payments in US dollar to the account of its

² Martin (2012) provides the overview of the US sanctions on Myanmar.

³ Apart from the banks in Singapore, Myanmar firms and banks used the banks in Malaysia for the same purpose. However, they by far preferred the banks in Singapore.

subsidiary in a Singaporean bank. Although remittances from Japan to Singapore go through the corresponding accounts in the United States, it does not infringe the US economic sanctions as far as the exporter's subsidiary is not recognized as a Myanmar company. The next question is how to send the funds received at the Singaporean bank account to Myanmar. For this, it is important that Myanmar banks have corresponding accounts at this Singaporean bank. The Myanmar exporter instructs the Singaporean bank to remit funds from his subsidiary's account at this bank to his account at a Myanmar bank. What the Singaporean bank does is to debit the account of the exporter's subsidiary, and to credit the account of the Myanmar bank, which are completely internal transactions within the Singaporean bank, and do not infringe the US financial sanction. Once the Myanmar bank is acknowledged of the credit to its corresponding account at the Singaporean bank, it proceeds to credit the exporter's account in Myanmar.

Similarly, Myanmar importers used shell companies for settlements of their imports. First, a Myanmar importer instructs a Myanmar bank to transfer funds from its account in Myanmar to the subsidiary's bank account in Singapore. After debiting the importer's account in Myanmar, the Myanmar bank instructs the Singaporean bank to debit its corresponding account and credit the account of importer's subsidiary in that bank. Again, the international funds transfer from Myanmar to Singapore complete internally within the Singaporean bank. From the subsidiary's account, the Myanmar importer then can make payments to foreign suppliers.

For the case when Myanmar exporters and importers traded with firms in Singapore, they could save the costs of setting up subsidiaries in Singapore. As far as the counterpart firms in Singapore had bank accounts in the same bank where Myanmar banks have the corresponding accounts, the settlements with these counterpart firms complete internally at the Singaporean bank. For the international trade with a third country, it was necessary for the Myanmar firms to have either subsidiaries in Singapore or some Singaporean agents who let them use bank accounts in Singapore.

While export sales diversion allowed the Myanmar firms to use the US dollar in their settlements of trade, there were pecuniary costs. One was the corporation tax that the subsidiaries pay to the Singaporean government. For the case of Myanmar's shrimp exports to Japan, the subsidiary of the exporter in Singapore formally procured goods from the parent company in Myanmar and exported the goods to Japan, although the actual flow of goods was directly from Myanmar to Japan. For this transaction, the subsidiary in Singapore was subject to corporation taxation in Singapore. Second, Myanmar firms maintained certain portion of their working capital in Singapore, which could have been channelled to financial intermediation in Myanmar. As the financial resource was scarce in Myanmar, the loss due to dispersion of financial resources to Singapore could be relatively significant. Thus, export sales diversion to Singapore is the waste of resources for the Myanmar economy.

Furthermore, export sales diversion might be used in combination with under-invoicing as a vehicle of capital flight⁴. As a numerical example, suppose that a Myanmar firm exports shrimps to Japan at the contracted price of \$ 1 million, and receive payments at his subsidiary's bank account in Singapore from Japan. The nominal transaction is that the Myanmar firm first exports to his subsidiary in Singapore, and the Singaporean subsidiary re-exports to Japan, whereas the goods go directly from Myanmar to Singapore. By reporting to the Myanmar Customs that his sales price to the subsidiary is \$0.8 million, the Myanmar exporter can retain \$0.2 million in Singapore. In this way, export sales diversion can be exploited as a channel of capital flight.

Empirical Analysis

To examine the prevalence of export sales diversion, we conducted a questionnaire survey with 107 Myanmar's export firms in August–November 2013. The structured questionnaire covers the attributes of firms such as main export commodities, ownership, and having bank account in foreign countries. We then asked two questions: (1) whether firms have ever diverted export sales, and (2) how they received payments from their main customers in the last three month. The results of the survey are summarised in Table 1. We classified firms into small and medium firms with annual exports below \$2 million and larger firms with above \$2 million to check the difference, if any, in their behaviours.

⁴ Kubo (2012) documents the prevalent illegal trade of Myanmar.

Table 1: Results of the questionnaire survey

	All firms	Below USD2mill.	Above USD2mill.
Basic attributes			
Number of firms	107	70	37
	% of firms in segment		
Main commodity Garment	11.2	8.6	16.2
Fish/Shrimp/Marine Products	18.7	20.0	16.2
Beans/Pulse	40.2	40.0	40.5
Others	29.9	31.4	27.0
Foreign ownership	7.5	5.7	10.8
Doing imports	69.2	64.3	78.4
Have bank accounts in foreign countries	69.2	70.0	67.6
in Singapore	53.3	54.3	51.4
Have diverted export sales	68.2	68.6	67.6
Transactions with main customer			
Receive payments in Myanmar	66.4	67.1	64.9
in Myanmar & foreign countries	21.5	22.9	18.9
in foreign countries	12.1	10.0	16.2

Source: Own survey.

The table shows that 69.2 percent of surveyed exporters have bank accounts in foreign countries, mostly in Singapore. Furthermore, 68.2 percent of the exporters have experienced export sales diversion. There are no significant differences in answers to these two questions between large and small firms.

Regarding the recent transactions, 66.4 percent of the surveyed exporters received payments remitted directly from foreign countries to Myanmar. Only 12.1 percent of the exporters received all payments in foreign countries. Compared with small firms, large firms tended to divert export sales to a third country. The median of the annual exports of the firms that received payments only in foreign countries was \$1.8 million, whereas that of the firms received payments in Myanmar was \$0.9 million.

The proportion of firms diverting export sales has declined considerably in recent years. While the majority of the surveyed firms have experienced export sales diversion once, a large part of them ceased to do so in the recent period. With regard to this trend, discussions with surveyed firms implied that they have called back their funds from foreign countries to Myanmar owing to the improved prospect of the Myanmar economy.

Another point to note is that all eight foreign owned firms in our sample did not divert export sales. These firms were foreign owned factories operating in Myanmar, and received payments from their parent companies. Their choices of settlement locations should be more motivated from minimising the transaction costs rather than portfolio decision of allocating assets between Myanmar and foreign countries. Their preference to receiving payments directly in Myanmar implies that the direct payments to Myanmar in currencies other than the US dollar were less costly than export sales diversion using US dollar.

In summary, the empirical results show that export sales diversion used to be quite common among Myanmar exporters. Foreign owned firms, whose choice of settlement location should be more motivated from minimising transaction costs rather than portfolio allocation, preferred payment receipt in Myanmar, implying that export sales diversion of locally owned firms was more motivated from capital flight. In recent years, such export sales diversion has declined, possibly due to the improved economic prospect in Myanmar.

Conclusion

During the period that the United States imposed economic sanctions on Myanmar, the informal system of export sales diversion has emerged in the country to circumvent the sanctions. There is a concern that the export sales diversion has also been used as a channel of capital flight.

The questionnaire survey of 107 exporters reveals that export sales diversion to Singapore had been quite common; more than two thirds of the surveyed firms have experienced it. In addition, foreign owned firms rarely used export sales diversion, implying that export sales diversion of local firms might be motivated from capital flight rather than saving the transaction costs of trade settlements. While export sales diversion declined in the recent period partially due to the augmented prospect of economic growth in Myanmar, the existence of export sales diversion as a channel of capital flight still imposes a threat on the economy as an economic downturn might lead to capital flight through this channel.

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Education and Human Resource Development in Preparation for the ASEAN Community at Faculty of Law and Political Science National University of Laos

(17)

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Abstract

Education and human resource development is a priority of Lao PDR, as both are important for building and developing our country. The Faculty of Law and Political Science, National University of Laos is the leading educational institution in Lao PDR that provides legal education. FLP aims to ensure the high quality of education comparable with regional and international standards in preparation for the ASEAN Community. The goal of upgrading knowledge in the legal field for personnel who work in legal areas and create graduates from general education to become competent personnel who will work in organizations of justice at the central and local levels.

This presentation aims to describe, Program Structure and Content, Teaching and Learning Strategies, Academic Staff, Support Staff, Student Quality and Facilities and Infrastructure. The nation has a need for qualified personnel. FLP will strive to create good citizens with requisite knowledge and skills, capacity, ethics, and civic spirit in order to meet the qualified human resource needs for the socio-economic development of the nation.

Keywords: Human Resource Development/ Faculty of Law and Political Science/ National University of Laos/ Education Community/ Lao PDR

Introduction

Overview of The National University of Laos

1. Background

At the beginning of its establishment, the National University of Laos had only seven faculties and one college of foundation studies. Currently, the National University of Laos is comprised of 11 faculties, 1 central library, 2 institutes, 5 centers, 10 offices, 1 university hospital and 1 preparatory school for gifted and ethnic minority students.

2. Overall Goals

The National University of Laos has defined its overall goals as follows:

1. Develop students to become leading academicians with strong morals and ethics, civic spirit, quality of knowledge and capacity at the national level comparable to those at the regional and international level
2. Comprehensively develop the University's management system in order to ensure efficiency and effectiveness, transparency, quickness, simplicity and certainty
3. Develop the National University of Laos to be a clean and green place with modern, progressive and up-to-date infrastructure, equipment and technology in order to serve education

3. Vision

The vision of the National University of Laos is "to become a center of excellence for higher education in Lao PDR with strength, modernization and progress and up-to-date facilities in academic affairs, scientific and technological research and with standards comparable to those of regional and international Universities. NUOL will strive to create good citizens with acceptable knowledge and skills, capacity, ethics, and civic spirit in order to meet the qualified human resource needs for the socio-economic development of the nation."

4. Mission

The missions of the National University of Laos are as follows:

1. To create and develop human resources to become administrators, academicians, and researchers with knowledge, skills and capacity and also with an ethical, disciplined, creative and civil spirit that can be accepted in Lao and International society.
2. To conduct and promote scientific research to an acceptable standard in order to meet the socio-economic development policies of the nation and disseminate research findings.
3. To provide technical and academic service that is useful to society.
4. To preserve and expand the beautiful culture, traditions and customs of our multi-ethnic nation and together to select and accept progressive and excellent world culture.

5. Strategic Plans of National University of Laos

In order to reach the goals, vision and missions of the National University of Laos for quality education development, the National University of Laos has defined 6 strategic plans as follows:

1. Development of teaching staff, personnel and students;
2. Development of the University's management system;
3. Development of quality learning and teaching processes;
4. Development of quality research and academic services;
5. Development of infrastructure and facilities;
6. Development of domestic and international cooperation.

Overview of the Faculty of Law and Political Science

The Faculty of Law and Political Science (FLP) staff members are competent and take care to implement their roles and responsibilities. Therefore, they develop the FLP to become a growing institution of the National University of Laos and now the FLP is the first leading educational institution in Lao PDR that provides legal education. At the beginning of the FLP, there were only 2 departments: the Law department and the Political Science department. In 2004, the International Relations Department was established, and then in 2007 the Business Law department was established. In the academic year 2008-2009 a Master's of Law program was opened; it is the first graduate program in the history of the FLP. Then in the academic year 2009-2010 the Continuing Education Program for Bachelor's of Law was opened. In 2010, the Law department was divided into the Civil Law department and the Criminal Law department. Currently, the Faculty of Law and Political Science is composed of 5 departments: Civil Law Department, Criminal Law Department, Political Science Department, International Relations Department and Business Law Department. There are 8 programs of study that are permitted to be taught at the FLP: 6 Bachelor's Programs and 3 Master's Programs.

6 Bachelor's Programs at the FLP		
No.	5-year Program (called 1+4 system)	4-year Program (called 0+4 system)
1	BL Program in Justice Law	BL Program in Civil Law
2		BL Program in Criminal Law
3	BL Program in Administrative Law	BPSProgram in Administration
4	BIR Program in International Relations	BA Program in Foreign Affairs
5	BBL Program in Business Law	BL Program in Business Law
6	BL Continuing Educational Program in Law	

There are 3 Master of Law Programs at the FLP	
No.	Name of Program
1	Master of Law Program in Law
2	Master of Law Program in International Law
3	Master of Political Science

Overall Goals

The overall goals are as follows:

Develop students at the undergraduate level to become lawyers, administrators, diplomats and personnel in international relations, with a higher quality of knowledge, capacity and civic spirit comparable to those at the regional and international level;

Comprehensively develop the FLP management system in order to ensure efficiency, humanity and transparency, and gradually implement the rule of law and modernization of its management system.

Develop the FLP to be a clean and green place, as well as to be neat, and a potential place for complex infrastructure and equipment with modern and up-to-date technology.

Vision

The vision is “to create and develop FLP to be a higher educational institution that develops and trains the intelligentsia with bachelor’s, master’s and doctoral degree levels who have adequate knowledge, specialized skills and capabilities with revolutionary morality and ethics and civic spirit in order to govern the state and society by rule of law”.

Missions

The missions of the FLP are as follows:

1. Create and develop technical and academic people in civil law, criminal law, business law, administration and management, and international relations at bachelor’s degree and undergraduate level.
2. Response to the needs of the nation on the development of administrative organizations, business organizations and activities, and state and societal administration and management by rule of law, international relations activities, and guarantee of justice in the society and, step by step reach international standards.

Development Strategic Plan

In order to develop the FLP to reach its overall goals, vision and mission, it has developed 10 development plans and 1 service plan as follows:

- Staff Development Plan
- Academics and Specific Courses Development Plan
- Curriculum Development Plan
- Learning and Teaching Activities Development Plan
- Research Activities Development Plan
- Facilities Development Plan
- Library, Media, and Information Development Plan
- Domestic/National and International Relations Activities Development Plan
- Student and Student Activities Management Development Plan
- Security Activities Development Plan
- Granting Legal Services to Society

Content:

Program Content and Structure

Program content shows a good balance between skills and general knowledge and in depth knowledge. Objectives to create and develop students to have needed skills and knowledge for living in society. Basic specialized courses have the objectives to create a foundation for students in order to have fundamental knowledge suitable for advancement in specialized.

FLP course reflects vision and missions of NUOL by the determination of its philosophy and goals. The goals of FLP to produce human resources who have knowledge and capacity. Students have

learned from fundamental knowledge to advanced knowledge. It can be seen in basic courses, basic specialized courses and specialized course groups.

FLP course shall be improved in every 5-year period. In teaching and learning, fundamental content and teaching methods are improved in each year.

Teaching and Learning Strategy

The FLP have a clear teaching and learning strategy; and the strategy that is promoted in FLP is a student-oriented strategic approach; all teachers and lecturers have continuously and regularly participated in the training on this strategy that is organized by teaching experts of FLP. Each teacher shall prepare teaching materials and teaching and learning plan in order to distribute them to students and explain in detail their teaching plan. Together with theoretical learning in the classroom, students also have opportunities to go on field trips and see the real-world in different governmental offices. Teachers also use new techniques and approaches to promote independent study to achieve expected learning outcome.

The teaching and learning strategies that FLP uses are student-centered and highlight the participation of students in classroom activities, promoting self-study and problem solving skills. By using this strategy students can use effectively and efficiently learned theoretical knowledge to solve problems that happen in their work and life as well as for their lifelong learning.

In order to make teaching and learning processes effective, teachers use teaching and learning strategies that are student-centered. In this process, they train students to have skills for discovering of knowledge. Students can use learned knowledge and they will be more responsible to do independent study. These are shown by giving topics or problems for students to solve in order that they can study together, consult and participate in solving these problems. Teaching and learning forms that are used in FLP are lectures and practical activities.

FLP uses teaching and learning strategies that promote active learning by highlighting teaching theories side by side with practice via field trip and internship in governmental offices and organizations, in state and private enterprises or in international organizations. Together teaching and learning strategies also facilitate learning to learn. Students can learn by themselves via question-answer approach, group or personal study, making presentations, and also via the use of teaching and learning materials/media such as the use of PowerPoint, radio broadcasting, television broadcasting, internet and other materials in classroom.

Academic Staff Quality

There are 113 teachers and personnel (including contract staff) in FLP, of which 47 are female. There are 4 academic ranks for teaching staff of universities and higher educational institutions in Lao PDR :

Number of FLP teachers and personnel in academic year 2012-2013

Number of Teachers and Personnel		Number of Teachers				Number of Administrative Staff			
Total	Female	Contract Staff		Civil Servants		Contract Staff		Civil Servants	
113	47	Total	Female	Total	Female	total	Female	Total	Female
		7	4	83	28	7	5	16	10
		In Total: 90, Female: 32				In Total: 23, Female: 15			

The total number of teachers is 90.

Table 2-6.1-2: Classification of teachers by educational level

No.	Educational level	Number of teachers	Observation
1	Bachelors Degree	47	19 teachers are studying in Masters Program
2	Under-Bachelors Degree level	1	1 teacher is studying in Masters Program
3	Masters Degree	41	6 teachers is studying in Doctoral Program
4	Doctoral Degree	1	

There are 4 academic ranks for teaching staff of universities and higher educational institutions in Lao PDR as follows:

1. Professor
2. Associate Professor
3. Lecturer
4. Assistant Lecturer

In order to assure the teaching and learning quality of FLP, before teachers can teach in FLP, they must participate in professional training that is organized by the Faculty of Pedagogy, which also issues training certificates for participants. In addition, teachers are trained and upgraded regularly on foreign languages, specialized matters and teaching methodology based on their willingness and interest, and sometimes also based on the result of selection made by FLP and stakeholders.

The Department appoints teachers for each course based on their educational level, knowledge, capacity, and learned experience. In addition, appointment of teachers is also based on the consideration of responsibilities of teachers in administrative and support activities. In general, there are 2-3 teachers that teach each course, and they can substitute for each other whenever necessary. The ratio between teachers and students in the past 5-year period has moved towards regional and international standards. Therefore, we can say that teaching staff are competent and sufficient to deliver curriculum adequately.

The FLP regularly makes a Request Plan on retirement for teachers and personnel who attain age of retirement. Every teacher and staff member has the right to retirement when they reach retirement age (for females, at least 55 years old, and for males, at least 60 years old) and the number of working years should be 25 for all teachers and personnel that would like to terminate their work.

Support Staff Quality

The FLP library has 4 staff members that are regularly trained in library work. In addition there are also 15 student volunteers. The library is open for students, teachers and people from Monday to Friday, from 8:30 am to 6 pm. In order to create convenience for the users, library staff gave advice on the use of library services in a manual.

The IT Unit of the FLP has 2 permanent staff that are IT graduates, 1 IT consultant and 15 volunteer students who work for IT services. The main work of the IT Unit is to give general services to students and teachers, such as the use of computers and IT equipment in teaching and learning, maintenance and repairs, software installation and others. In addition, the IT Unit also gives advice to students and teachers on IT use and IT problem solving.

In addition, in order to assure contact and relations between teachers, personnel and students within the FLP and make communication rapid and paperless, formal E-mail has been developed in the FLP. Staff of the IT Unit have good knowledge and skills on installation, repairs and granting services through regular skills training. The FLP has a foreign ICT expert whose duties are to give advice, assistance and make short term and long term plans in order to develop and modernize IT works and activities.

Student Quality

The FLP considers student through 2 systems:

- First system: 25% of new students are from the number of students that are allocated by the Ministry of Education and Sports and are called the regular or planned system.
- Second system: 75% of new students are from students that have successfully passed NUOL entrance exams and are called the paid system. NUOL entrance exams are clear and consistent.

Facilities and Infrastructure

The FLP has 2 learning buildings, 1 multipurpose building and 14 study huts that have been constructed at the faculty in order that students can use their free time to study on campus. It shows that facilities are adequate and sufficient for students in the teaching and learning process. In addition, in the classrooms there are facilities for learning such as blackboard, table, and chairs for students and teachers, lamps, 2 speakers, LCD projector, fan and air conditioner that are adequate for the teaching and learning process. In July 2013, construction was completed on 2 new student dormitories. These 2 dormitories are located 400 meters from the FLP campus.

Student dormitories/facilities are composed of	
1	1 Dormitory for male students. It can contain more than 208 students. There are 26 rooms. Each room can contain 8 students.
2	1 dormitory for female students. It can contain more than 208 students. There are 26 rooms. Each room can contain 8 students.
3	2 kitchen areas
4	14 study huts for the students to study in their free time
5	2 laundry areas
6	2 motorbike parking areas

Summary

• Summary of strengths

The FLP gives high importance to teaching and learning strategy. This is shown by organization of training on teaching and learning strategies that are student-centered and training on methodology by using problem solving as a fundamental method in legal teaching. the FLP promotes teaching staff to continuously use these strategies in teaching activities and the FLP had monitored their results. The strategy that the FLP promotes is the required strategy in order to achieve expected learning outcomes.

Although the FLP has not yet set up a special office for student advice and support, we can get advice and recommendations on academic and other matters by many ways such as from course teachers, classroom teachers, teachers who are appointed by the Head of Department to be responsible to give advice and support to IR department students, Head of Department, Academic Division, Student Management Division and also from a group of volunteer students. Together with these people and organizations, the FLP also has 3 mass organizations that are involved and create a healthy physical, social and psychological environment for students.

• Summary of Weaknesses

The FLP academic staff are qualified, are competent, and with educational background and experience that are adequate for the duties given. However, the FLP has not achieved the objectives described in Work Plan Number 2 of the NUOL Strategic Plan 1, because these objectives determine the ratio between number of teachers who are graduated from doctoral, masters and bachelors level of education as follows: 1:3:6. (It means in average in the total number of 10 teachers, there shall be a

teacher with doctoral degree, 3 teachers with master's degree, and 6 with bachelor's degree). Therefore, in order for the FLP to reach these objectives, the FLP shall continue to implement the FLP human resources development plan i.e. upgrading its staff to the doctoral and master's degree level in order to meet the needs of each department. Together with these objectives, FLP shall continue to support and encourage academic staff to request more academic titles than previously such as professors, assistant professors, lecturers, and assistant lecturers.

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Environmental and Disaster Management

The Effects of Natural Disasters on Critical Infrastructure: Implications for ASEAN Connectivity

(18)

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Abstract

Natural disasters are phenomena or events that cause adversity to individuals, families, cities, and nations. Whenever they occur, two major types of impacts often follow: physical and social. Physical impacts include such things as mortality, morbidity, and property damage. Social impacts describe negatively psychological effects, socio-demographic, and socio-economic situations. Impacts such as loss of life, human injuries, negatively psychological and socio-economic situations mainly create internal problems to a country or nation where a disaster occurs. However, damages to property, especially critical infrastructure such as airports, communication networks, and other transportation and communication facilities, can have implications regarding connectivity for that affected country with other nations as well as the integration of all member countries in that region. Put simply, a disaster that occurs in one country can cause difficulty in terms of regional connectivity and integration. In this paper, the author examines natural disasters that occurred in South East Asian countries and, drawing on the premises of theories and concepts related to emergency management field, discusses how these extreme events affected critical infrastructure in each country and the implications of such damages in critical infrastructure on the attempt of member countries in fostering ASEAN connectivity.

Keywords: Environmental and Disaster Management /Disaster/ ASEAN connectivity/ Emergency Management/ ASEAN Economic Community (AEC)/ Critical Infrastructure

Introduction

In early October 2003, representatives of ASEAN nations gathered in Bali, Indonesia. These delegates had made a historic decision that would change the future of all ten member countries, if such decision was actually implemented as planned. In the Declaration of ASEAN Concord II, all ASEAN countries agreed to establish the ASEAN community, a regional integration that is, to some extent, similar to the creation of European Union (EU), by the year 2020. Also mentioned in this declaration is the announcement that ASEAN countries agreed to establish the ASEAN Economic Community, an important pillar that would help accelerate the creation of ASEAN Community, by the year 2015. ASEAN Economic Community or AEC has recently become a popular word among people in ASEAN nations. People in this region have heard or talked about it for a few years. If successfully created, AEC will become “a single market and production base, a highly competitive economic region, a region of equitable economic development, and a region fully integrated into the global economy” (Association of Southeast Asian Nations, 2008, p.2). Leaders of ASEAN nations hope that successful creation of ACE will help make their dreams in establishing ASEAN Community come true.

To integrate all ten nations into one economic region or a single market where goods, services, investment, skilled labor, and capital can move more freely, all ASEAN nations need to be well-connected. When all member states are well-linked, the whole region can become more competitive and resilient as peoples, goods, services and capital are brought closer together (Association of Southeast Asian Nations, 2012). To this end, member countries agreed to build connectivity in three aspects. These include physical connectivity, institutional connectivity, and people-to-people connectivity. Physical connectivity addresses transportation problems and limitations by improving existing and building new facilities and infrastructure across the region. Institutional connectivity will be created to remove impediments such as those non-tariff barriers that prevent the movement of goods, vehicles, services and skilled labors within the region. People-to-people connectivity is aimed at promoting deeper interactions between the people of ASEAN (Association of Southeast Asian Nations, 2012). When the people interact with each other more socially and culturally, they would understand each other and, ultimately, ASEAN countries will be truly connected.

All these connectivity schemes are important for realizing the goal of creating AEC and ASEAN Community. However, the one that has significant implications for the other two aspects of connectivity as well as for the realization of ACE and ASEAN Community establishment is physical connectivity. There are few reasons for justification of this argument. First, physical connectivity is the

most concrete aspect of all three connectivity schemes. If implemented successfully, people within the region will be more understanding of what the leaders are trying to do because they can see with their eyes how each country is connected to others and they can experience this connectivity by travelling across border more easily. Second, physical connectivity is the fundamental pillar for achieving ACE or a single market, as, when fully implemented, goods, services, and skilled labors can be moved across the region more easily. Finally, physical connectivity serves as the foundation for implementing the other two plans of connectivity (institutional and people-to-people). That is, when all member nations are well-physically connected, it would be easier for people and organizations to interact with each other. Thus, physical connectivity is an essential element for achieving both AEC and ASEAN Community. For these reasons, physical connectivity is selected, by linking with emergency or disaster management scholarship, to be a topic of discussion in this paper.

Connectivity of goods, services, skilled labors, people, and organizations within ASEAN countries as well as with the rest of the world can be interrupted if something bad such as natural disasters happen. Natural disasters such as volcanic eruptions, floods, and earthquakes can easily affect travelling from one place to others. Volcanic eruptions could produce ash that can damage aircraft engines. Thus, such eruptions of volcanoes can paralyze air travel operations in many countries. Earthquakes can also affect travelling when roads are damaged by the forces of ground shaking. Likewise, major floods can submerge an airport making runways unpassable and facilities unworkable. These are some obvious examples of how natural disasters, by damaging critical infrastructure such as roads and airport facilities, can diminish the ability of one nation to connect to the rest of the world. With the recognition that the numbers of natural disaster occurrence around the world are growing and their impacts seem to be more intensified, in this paper, the author explores disaster situation in ASEAN countries and examines how these disasters affect critical infrastructure, especially transportation infrastructure, in those affected nations. Also discussed in this paper is how the impacts made by natural disasters on critical infrastructure have the implications for our attempt to physically connect all member countries together as well as each ASEAN country with the rest of the world.

The Concept of Disaster and Disaster Impacts

Disasters, whenever happen, often bring adversity, misery, and negative consequences to the people in affected areas. Disasters are events that are deadly, destructive, and disruptive and occur when hazards interact with vulnerability (McEntire, 2007). These extreme events once have happened produce tremendous impacts that could overwhelm the capacity of a community to cope (Lindell et al., 2007). The destructive forces released by those disasters can result in dislocation of people, separation of family members, damaging and destroying homes, injuring as well as killing people (American Red Cross, 2008). Disasters can be roughly categorized into two major types: manmade and natural. Manmade disasters are destructive events that happen as a result of accidental failures of technologies (Lindell et al., 2007). Some examples of manmade disasters can be releases of hazardous materials from the chemical plants, failures of structure or infrastructure, or explosion of nuclear power plants. Natural disasters, on the other hand, are extreme events produced by natural hazards such as high wind, ground shaking, severe weather, or high level of precipitation, which are considered the effects of physical activities or natural phenomena. Examples of natural disaster can include earthquakes, floods, hurricanes (or cyclones or typhoons), volcanic eruptions, and wildfires (Lindell et al., 2007). The focus of this paper is on natural disasters.

The same disaster can produce different levels of consequences or impacts on different individuals, households, organizations, neighborhoods, cities, or nations. This is because the extent of disaster impact depends on at least three factors: the characteristics of hazards, level of exposure, and vulnerability. How one community be slightly or severely affected by a disaster can be determined by its characteristics such as speed of onset, availability of perceptual cues, the intensity, scope, duration and the probability of occurrence (Lindell and Prater, 2003). Hazard exposure can also intensify disaster impact. Hazard exposure describes the proximity of the location of human dwellings, settlements, or property to the danger or hazard. Another word, you are highly exposed to the hazard and, thus, highly risky of being severely impacted, if you live or work in places that are located in hazard prone areas (Lindell et al., 2007). Another factor that contributes to disaster impact is vulnerability. This can be physical and social vulnerability. Physical vulnerability refers to the characteristics of structures such as buildings and infrastructure that are susceptible to damage from disasters. Social vulnerability describes the characteristics of people or groups of people that make them less capable of coping with disasters. Some examples of such characteristics are being poor,

low-educated (or even uneducated), elderly, unemployed, single-mother, and minority. Such characteristics often hinder people from being capable of dealing with the impact of disasters as they are often lacking of resources for coping. All these three factors contribute to how much one family, neighborhood, organization, city or nation will be affected by a disaster.

Natural disasters produce two major forms of impact: physical impact and social impact (Lindell and Prater, 2003; Lindell et al., 2007). Physical impact is visible, obvious and easy to measure. Physical impacts include casualties such as deaths and injuries and damages or losses of buildings, animals, and crops. Social impact develops over a long period of time, is less visible or obvious and difficult to measure. Four major types of social impacts are psychosocial, demographic, economic, and political. Disasters can cause psychosocial impacts on humans such as anxiety, depression, grief as well as sleep and appetite changes. Demographic impacts describe changes in terms of population in disaster-stricken areas. Victims of those affected vicinities may decide to leave the areas temporarily or permanently. Some reasons for why people decided to leave the areas are fears that another disaster will hit the areas again, loss of jobs or community services, and increased neighborhood or community conflict after disasters (Lindell et al., 2007). Economic impacts come in the form of loss in asset value due to damages of property. Damaged property that is not replaced can also further worsen economic situation in affected areas because their loss can cause reduction in consumption and a reduction in investment, which in turn, decreases development or economic activities. Finally, political impact refers to social conflicts that may occur following the disaster or during recovery process as groups of people in the community competing to get resources for recovery. This paper limits the discussion to physical impacts of disasters and explores how their impacts on critical infrastructure affect the ability of one country to connect with the rest of the world.

Critical Infrastructure

One of the most obvious impacts of disasters is damage of building and infrastructure. Of all buildings, property and structures, loss or damage of critical infrastructure has the most significant implication for a community or nation. This will be discussed in the next section. This section is devoted to discussion of the term critical infrastructure and its importance.

Critical infrastructure is made up of two terms: critical (adjective) and infrastructure (noun). The first term, infrastructure, in general, refers to “the basic facilities, services, and installations needed for the functioning of a community or society, such as transportation and communications systems, water and power lines, and public institutions including schools, post offices, and prisons” (American Heritage Dictionary, 2000). The continuation of social service provision and growth of a community, state or nation depends on infrastructures. They help a government or community run smoothly.

The term critical is an adjective, describing the state of being important or essential. Criticality means “the quality, state, or degree of being of the highest importance” (American Heritage Dictionary, 2000). Thus, combining the two terms, critical infrastructure can be defined as facilities, services, and installations that are most essential to the community’s or country’s function. These infrastructures can pose the most significant danger to life and property if they are threatened or damaged. In addition, and perhaps most importantly, they are necessary for maintaining the nation’s defense capability, national economic security, and national public health and safety (Moteff, J., & Parfomak, P., 2004).

The U.S.’s CRS Report for Congress on Critical Infrastructure and Key Assets (dated October 1, 2004) provides several examples of what can be considered critical infrastructures. These include:

- Roadways and bridges
- Airports or airway facilities
- Mass transportation systems, railroads, pipelines
- Wastewater treatment or related facilities, solid waste and hazardous waste services
- Water resources projects/water supply facilities
- Electrical power systems
- Oil and gas storage and transportation
- Nuclear facilities
- Hospitals, public health services
- Resource recovery facilities

- Public buildings, continuity of government services
- Information and telecommunication systems/facilities
- Banking and finance systems or institutions
- Emergency services and facilities (police, fire, rescue)
- Livestock, agriculture and systems for provision of food for human use and consumption
- Postal and shipping services/facilities (Moteff, J., & Parfomak, P., 2004).

These are facilities that need to be given priority when decision makers formulate national policies such as homeland security, public health and economic development. They need to be given priority in planning because, as already discussed, losses or damages of these infrastructures can result in reduced capability of a community or nation to function and to provide a reliable flow of goods and services that are essential to the national defense and economic security. Moreover, Johnston et al. (2006) point out that critical infrastructure, as the lifelines that provide services, utilities, and linkages allowing society to function, are often large, complex and interdependent systems, which are vulnerable to damage when natural disasters strike. This is because, in these interconnected systems of critical infrastructures, when one system (or part of it) fails, it may cause repercussions in other systems or failure of the entire systems. Such a failure can increase vulnerability of a community or a nation to the effects of disasters. Thus, because of their strategic importance, it is necessary to always pay attention to critical infrastructure of a community or a whole nation and think how to effectively protect them.

Disaster Situations in ASEAN Countries

Critical infrastructures that are important for a nation to function, provide social services to its citizens, maintain its defense capability and economic security can be damaged by various incidents such as road and workplace accidents, terrorist attacks, and natural disasters. Road and workplace accidents may happen quite often but the level or scope of impact might not be so much significant. Terrorist attacks may produce a huge damage in some types of critical infrastructure but these incidents do not happen often. Thus, the chance for it to cause major damage to the nation's infrastructure is not that high. One thing proved to be an emerging threat of this era to the well-being, prosperity, development of one nation is the occurrence of natural disaster. One reason for why natural disasters can pose major threats to well-being, prosperity, development of one community or country is that they can take human lives, damage property and natural resources as well as destroy critical infrastructures, which are the backbone of the community or government to provide the flow of goods and services to its citizens. This section is reserved to discuss the disaster occurrence in each ASEAN country starting from Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam. The information presented in this section is not specific. Rather, it give the readers an overview look of how each ASEAN nation experienced natural disasters in the last 30 years or so.

Nations around the world are in the same both in terms of facing natural disasters. Although statistics from a reliable source shows that the numbers of people killed have been fluctuated depending on the magnitude or scope of disaster impacts happening in each period of time, the numbers of people affected have been in a steady trend and the amount of damage (in dollars), on average, has been in a rising trend. In fact, the United Nations Office for Disaster Risk Reduction reports that, from 2000 to 2012, natural disasters killed 1.2 million people, affected 2.9 billion individuals, and caused 1.7 trillion US dollars in total damage (PreventionWeb, 2013). This implies that natural disasters are more intensified and have the potential to produce more deadly impacts on us. Natural disasters have not only increased in terms of their quality (i.e., magnitude, intensity), but also increased in terms of quantity. According to the United Nations Office for Disaster Risk Reduction, from 1980 to 2011 the numbers of natural disasters around the world were growing especially those that can create destructive impacts on critical infrastructures such as floods (3,455 events) and storms (2,689 events) (PreventionWeb, 2012a).

South East Asia is one of the most vulnerable regions to natural disasters due to its location. Storms and floods are two types of natural disasters that hit this region the most. However, some areas are also prone to earthquakes and volcanic eruptions. The section that follows provides an overview of disaster situations in each ASEAN country.

Brunei Darussalam

Brunei Darussalam seems to not have been experienced natural disasters often. From 1980 to 2010, this small country experienced one event of wildfire, which caused only about US\$2,000,000 in economic damage (PreventionWeb, 2012b).

Cambodia

Cambodia experienced 31 events of natural disasters in the last 30 years (1980-2010). These disasters killed 1,967 and affected 16,679,643 people in this country and caused US\$ 536,110,000 in total economic loss. Disaster that occurred the most in Cambodia is flood (14 times) (PreventionWeb, 2012c). In addition, flood was responsible for most of such economic loss.

Indonesia

Indonesia ranks number 2 in terms of ASEAN's most affected by natural disasters. Within the last 30 years (1980-2010), this country faced 321 extreme events. 192,474 and 21,663,204 people have died and affected due to these natural disasters. On average, Indonesia experienced about 10 or 11 disasters per year. About 6,209 Indonesians were killed and 698,813 people were affected each year. The two types of natural disasters that happened the most are flood (118 events) and earthquake (76 events). Disasters that happened in Indonesia within the last 30 year have caused about US\$ 23,601,677,000 in economic damage. Earthquakes and wildfires were responsible for most of this economic damage (PreventionWeb, 2012d).

Lao PDR

Disaster situation in Lao PDR is like that of Cambodia. Within the last 30 years (1980-2010), this landlocked country experienced 30 events of natural disasters. These extreme events have caused 945 deaths, 4,998,868 people affected, and US\$ 429,779,000 in economic damage. Flood happened the most in this country but storms were responsible for most of economic damage (PreventionWeb, 2012e).

Malaysia

Since 1980, Malaysia has faced 58 natural disasters. There were 1,239 Malaysians killed and 639,344 people affected by such extreme events. Natural disasters have caused US\$ 1,867,500,000 in economic damage in this country. Flood was the most happened disaster and responsible for most of such economic loss in Malaysia (PreventionWeb, 2012f).

Myanmar

The numbers of disasters in Myanmar were not as high as those of Indonesia, Philippines and Thailand. However, with the power of Cyclone Nagis in 2008, the numbers of people killed and affected as well as the amount economic loss were relative high compared to Malaysia, Lao PDR, and Cambodia. From 1980 to 2010, Myanmar experienced 27 events of natural disasters. These extreme events killed 139,208 people and affected 3,892,069 individuals. Disasters have caused US\$ 4,645,643,000 economic damage in this nation. Flood occurred the most but storms were responsible for most of such economic damage PreventionWeb (2012g). More than 50 percent of disaster-related deaths and about 60 percent of affected people were responsible by only one event, Cyclone Nagis in 2008. Cyclone Nagis also accounted for about 90 percent of Myanmar's economic loss due to disasters.

Philippines

Philippines ranks number 1 on the list of ASEAN's most disaster-stricken counties. From 1980 to 2010, Philippines was hit by 363 natural disasters, the highest number of all ASEAN nations. Not including typhoon Haiyan in 2013 and the most recent one, tropical storm "Mario" (Fung-Wong) in September 2014, natural disasters in the past killed 32,956 and affected 116,212,416 people around the country. These disasters caused US\$ 7,417,145,000 in economic damage. Storms happened the most in this country and were responsible for most of such economic damage (PreventionWeb, 2012h). The numbers of deaths, people affected and economic damage in the Philippines could be much higher than

what has been reported by this source of information (PreventionWeb.net) if losses and damages from typhoon Haiyan in 2013 and tropical storm "Mario" (Fung-Wong) in September 2014 were added.

Typhoon Haiyan produced deadly impacts on this country. Although figures of losses and damages from different sources were slightly different, Philippines's National Disaster Risk Reduction and Management Council (NDRRMC) reported that Haiyan caused 6,300 people dead (1,061 people were missing) and 3,424,593 families affected (NDRRMC, 2014). In addition, United Office for the Coordination of Humanitarian Affairs (OCHA) in cooperation with United Nations Environment Programme (UNEP) estimated that Haiyan affected 14.1 million people and forced 4.1 million people displaced. About 4.8 millions of those affected were reported poor (their income was under the poverty threshold) (OCHA, 2014). Finally, the most recent disaster that hit the Philippines is tropical storm Mario (Fung-Wong). It is initially reported that this disaster caused severe flooding in Manila with 5 people killed and 200,000 people evacuated. With its location that is so prone to storms, Philippines remains on the top of ASEAN's most disaster-affected nations.

Singapore

Disaster situation in Singapore seems to be better than any other ASEAN countries. From 1980 to 2010, this country faced only 3 events of disasters (Epidemic). There were about 36 people reported dead and 2,238 people affected (PreventionWeb, 2012i). Also, there was no record of economic loss as a result of natural disaster in this country.

Thailand

Disasters did not happen quite often in Thailand in the past. However, it seems that this country has been facing more natural disasters in the past 10 years. PreventionWeb (2012j) reported that, from 1980-2010, there were 105 natural disasters occurred in this country. These extreme events killed 11,922 Thais, affected 64,154,322 people and caused 6,022,747,000 US\$ in economic damage. Flood happened the most in this country and was responsible for most of such economic damage. The numbers of people dead, affected and economic damage could be much higher than what has been reported by PreventionWeb (as of 2012) if losses and damages due to floods in 2011, 2013 and the earthquake that just happened in May 2014 were added. Flooding in 2011 produced enormous impacts across the country causing 1,026 people killed, 16,224,302 people affected, and about 24 billion THB in economic damage.

Vietnam

Vietnam faced 159 natural disasters from 1980 to 2010. Within the past 30 years, 16,099 Vietnamese were killed and 73,582,754 people were affected by these natural disasters. In addition, these extreme events caused US\$ 7,955,750,000 in economic damage. Storm and flood happened the most in this country. These two types of disaster were responsible for most of such economic damage (PreventionWeb, 2012k).

The information given above indicates that, except for Brunei Darussalam and Singapore, countries located in South East Asia region are vulnerable and exposed to many types of natural disasters such as storm, flood, earthquake/tsunami and volcanic eruption. In the past 30 years or so, these disasters took nearly 100 thousand lives, affected about 200 million people and caused so much economic damage across the region. In addition, when such natural disaster happened, not only lives of people that were taken or affected, they also destroyed critical infrastructures in each country. When critical infrastructures, especially transportation related facilities, were damaged, the abilities of the affected nation in moving people, goods, and services within the country as well as connectivity to the rest of the world were diminished. In the next section, the implication of damage to critical infrastructure due to natural disasters for ASEAN connectivity is discussed.

Implications of Damages to Critical Infrastructure for ASEAN Connectivity

In addition to loss of human lives and damages to dwellings, natural disasters often bring destruction to critical infrastructures of affected nations. Damages to critical infrastructures prevent people in a community from performing their day-to-day activities. Governments cannot run as normal and social services to citizens are interrupted as water, power, and other utilities cannot be delivered in times of disasters. Disasters can also diminish the ability of that affected country in moving goods,

services and transporting people within the affected country and between bordering nations, if transportation infrastructures are destroyed in disaster events. When roads are not passable, community activities and government services are often halted. A whole city can become paralyzed and travelling from one place or country to others by land is more difficult or even impossible. Likewise, when airport facilities are affected by natural disasters, connectivity among ASEAN countries can become problematic. This has already happened as described in a few cases below. The international cases presented here are examples of how natural disasters affected air travelling, which is an obvious element or aspect of how one country connects with its neighbors in the same region and with the rest of the world.

One good example of disaster effects on international connectivity is volcanic eruption in Iceland. In April 2010, Eyjafjallajökull Volcano was erupted in southern Iceland (British Ecological Survey, 2010). This disruption ejected a plum of volcanic ash for several kilometers into the air covering several parts of Europe. This disaster caused, perhaps, the worst air travelling crisis. The eruption forced several European countries such as the United Kingdom, France, Germany, Ireland, Sweden, Norway, Belgium, Denmark, Poland and the Netherlands to partially or completely close their airspace (CNN Wire Staff, 2010). The ultimate consequence of this event is the cancellation of more than 100,000 flights. Cancellations of these flights affected more than 10 million passengers around the world and caused \$2 billion in economic loss for airline industry (Sun, 2014). This disaster disrupted connection between several European nations and countries in other parts of the world for about six days of airport closure.

Another example would be floods in Thailand in 2011. In 2011, Thailand experienced four major flooding events (DDPM, 2012a). The first flooding started at March 23 to April 30. The second flooding lasted from June 24 to July 20. The third event, which was the worst flooding in five decades, began in the last week of July 2011 but its effects lasted until March 2012. The last flooding occurred during November 21 to December 22, mostly affecting the southern part of the country. Thailand's Department of Disaster Prevention and Mitigation concluded, in its report of Thailand's 1989-2011 flood statistics (dated December 31, 2011), that floods in 2011 affected 74 provinces, killed 1,026 people, affected 16,224,302 people, and caused damages to 480,227 houses (either partially or fully damaged). In terms of infrastructure, a series of floods caused damages to 26,613 roads, 1,770 bridges, 4,563 public buildings (schools, temples, offices of public agencies), and 2,432 drainage pipes (DDPM, 2012b). A number of roads and bridges that were submerged or washed away made inland transportation paralyzed for months. The floods also caused problems to air travelling as the floodwater submerged runways and facilities of Don Muang Airport, Thailand's second largest airport. The airport was closed in October 2011 and opened to commercial flights again in March 2012 (Aon Benfield, 2012). Flights normally operated in Don Muang Airport were cancelled during the closure as domestic airlines suspended all of their services and some airlines temporarily moved their flights to Suvarnabhumi airport (ETB Travel News, 2011).

The last example of how damage in transportation infrastructure affected air travelling is from the Philippines. On the 6th of November, 2012 the Philippines faced one of the worst disasters in its history when typhoon Haiyan (locally known as Yolanda) hit the country. According to Philippines's National Disaster Risk Reduction and Management Council (NDRRMC), typhoon Haiyan affected 3,424,593 families (or 16,078,181 individuals), killed 6,300 individuals (1,061 were still missing), and destroyed 1,084,762 houses (595,149 houses partially damaged and 489,613 totally damaged). This catastrophe caused a total damage of PHP 89,598,068,634.88. The worth of damages to infrastructure was PHP 9,584,596,305.69 (NDRRMC, 2014). Typhoon Haiyan also posed a challenge to Philippines's connectivity to the rest of the world when its 12 airports were closed for at least three days. These closures of 12 airports resulted in the cancellations of hundreds of domestic and international flights (Inquirer.net, 2013; News.com.au, 2013; Rappler.com, 2013).

All these three cases illustrate how natural disasters such as volcanic eruption, storm, and flood can disrupt connectivity of one nation with its neighboring countries in the same region and with the rest of the world. Other types of natural disasters such as earthquakes can also pose similar challenges to connectivity of one country to others when transportation infrastructures such as roads, highways, and airport facilities are damaged. Critical infrastructures, especially transportation facilities, not only important to inland movement of goods and social services, they are also essential to connectivity of one country with others. Thus, they need to be well protected in times of disasters.

Conclusion

Except for small countries like Brunei Darussalam and Singapore, South East Asia countries are likely to face one or more disasters every year (Cambodia 1/year ; Indonesia 11/year; Lao PDR 1/year; Malaysia 2/year; Myanmar 1/year; Philippines 12/year; Thailand 4/year; Vietnam 5/year). Major natural disasters that occurred not only took lives and destroyed human dwellings and private property, they also caused severe damage to critical infrastructures, especially those related to transportation such as roads, highways, and airport facilities. Damaged infrastructures interrupted the movement of people, goods, and services within that affected nation. Households, companies, and public agencies cannot perform their functions. A whole society can be temporarily paralyzed. In addition, damages to critical infrastructure related to transportation often caused disruption of connection between disaster-affected country and the rest of the world. For examples, inter-state highways that are damaged by earthquakes or submerged by severe flooding can create problems for cross-border travelling from one country to others within the same region. Likewise, damages to runways and other airport facilities can interrupt air travelling from and to such disaster-stricken country for days or even weeks. In this sense, the effects of natural disasters on critical infrastructure, especially transportation facilities, can pose challenges to physical connectivity of all member countries of ASEAN. It is, thus, recommended in this paper that policy or decision makers in each country pay more attention to disaster, its impacts and coping strategies. Each country should encourage the building of disaster management knowledge as well as strengthening its capability in mitigating against, preparing for, responding to, and recovering from disasters. Each country should develop its comprehensive plan for protecting critical infrastructure, especially transportation facilities, in times of disasters. All ASEAN member countries should work together in developing a practical cooperation in terms of disaster management. This cooperation should not only aim at providing humanitarian reliefs to disaster victims, but also addressing the question of how to protect critical infrastructure related to transportation and to recover them once a disaster has happened. The better we protect and the faster we recover transportation facilities after a disaster, the quicker we can reconnect with our neighboring countries and the rest of the world. In the age of climate change where catastrophes such as Typhoon Haiyan, floods in Thailand, and Cyclone Nagis can happen in every ASEAN country at any time, lifeline robustness or infrastructural resilience is important to a community or a nation for maintaining its functions and providing social services as well as its connectivity with other parts of the world.

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Private Sector Engagement in Climate Change Mitigation and Adaptation: Implications in Regional Governance¹

(19)

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Abstract

Climate change is a global phenomenon that affects the economies and socio-cultural, ecological and other vulnerabilities of countries. Thus, governments around the world have started to comprehensively address the challenges of climate change through National or Regional or International Climate Change or Disaster Risk Mitigation and Adaptation Action Plans. These Plans often provide key actions that enhance the adaptive capacity and resilience of communities and natural ecosystems to climate change. In addition, these also adopt economic and other valuation of natural resources that to a certain extent, ensures biodiversity conservation.

These Plans also provide for a policy environment that encourages the participation of the private sector in adaptation and mitigation towards sustainable development. This paper thus aims to review some of the private sector initiatives in among others, building Sustainable Energy, encouraging Climate-Smart Industries and Services and in other support initiatives for climate change mitigation and adaptation. The review will cover private sector engagement in the Philippines and other countries (where information may be available), with the end in view of analyzing constraints and opportunities in maximizing their participation.

This paper may be instructive of the next steps to harness the private sector in climate change adaptation and mitigation.

This will be mainly done through desk review of plans, programs, materials and related literature on the topic at hand.

Keywords: Climate Change/ Adaptation and Mitigation/ Private Sector Engagement

Climate Change, the ASEAN and the Philippines

1. Climate Change as a Development Issue

The biggest and the most imminent challenge that Southeast Asia faces today is climate change (AFAB Coalition, 2014)².

Climate change is a global phenomenon that affects the economies and socio-cultural, ecological and other vulnerabilities of countries. Being a development issue (World Bank 2010) and not merely an environmental concern, climate change has become a defining and most challenging sustainable development issue of the twenty first century (Letchumanan, 2013).

It is defining in the sense that it is now dictating the pace and nature of economic growth, development and social progress, while potentially becoming the greatest threat to humankind and survival if left unchecked. It is challenging because of its multifaceted nature, affecting almost all sectors and the basic means and lifestyle of human existence (Ibid. p. 2). In seconds, climate change may wipe out communities and the gains of development, economic or otherwise. It does not discriminate against rich or poor; developed or developing country. It affects everyone that comes along the disaster's path.

Climate change refers to the state of the climate that can be identified (e.g., by using statistical tests) by changes in the mean and/or the variability of its properties and that persists for an extended period, typically decades or longer. Climate change may be due to natural internal processes or external forcings, or to persistent anthropogenic changes in the composition of the atmosphere or in

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² AFAB stands for ASEAN for a Fair, Ambitious and Binding Global Climate Deal. Accessed at AFAB on Twitter, <http://a-fab.org/climate-change/> September 23, 2014.

land use (IPCC, 2012). Its more obvious manifestations include rising temperature, variability of precipitation, frequency and intensity of typhoons, rise in sea levels, and the risks of more droughts, floods, heat waves, and forest and grassland fires and other disasters (CCC, 2011).

According to the 2014 World Bank Development Report, the Southeast Asian region has experienced decrease in poverty incidence, measured by the percent of people living below \$1.25 a day in the past 20 years (Figure 1). This indirectly mirrors progress in economic growth, which may have been eroded to some extent by the number of natural disasters, which include droughts, earthquakes, floods and tropical storms, that came to its path during the same period (Figure 2).

In fact, of all the regions in the world, Asia, particularly the area of the Association of Southeast Asian Nations (ASEAN)- member states is most prone to disasters (Sawada and Oum, 2012). With agriculture-based economies and dependence on natural resources, and with the bulk of its populations and economic activities concentrated along coastlines, it is among the most vulnerable and least prepared area to face this global crisis.

Fig. 1. Incidence of Poverty Across the World

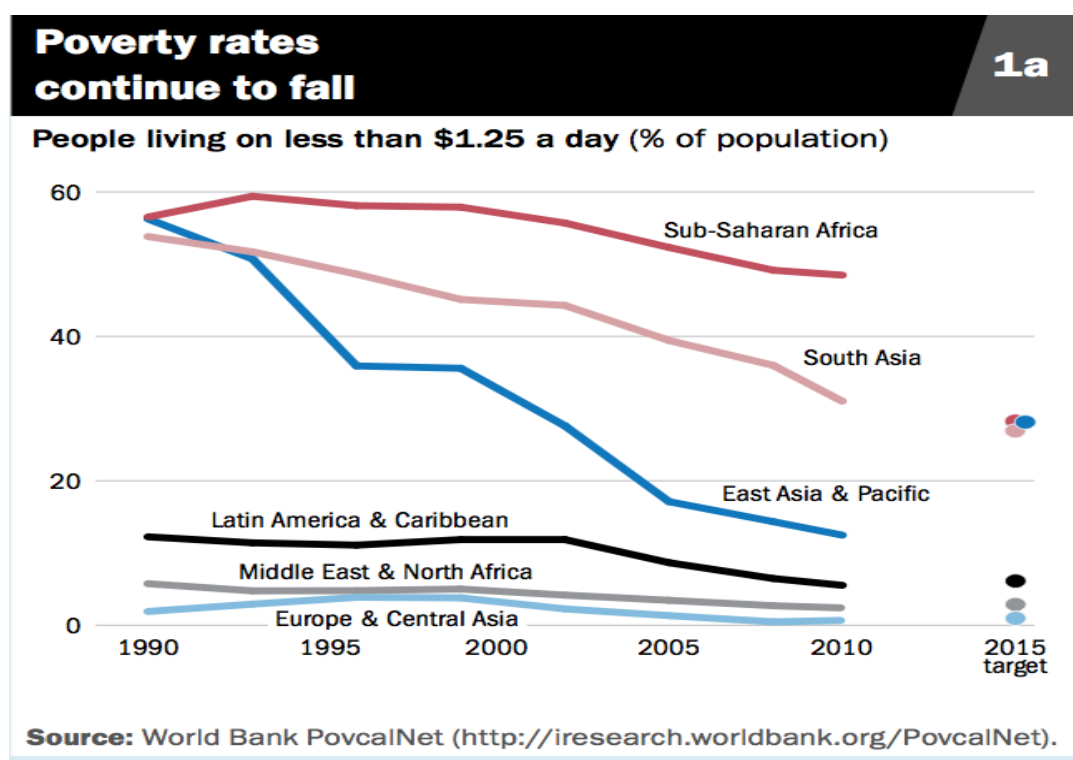
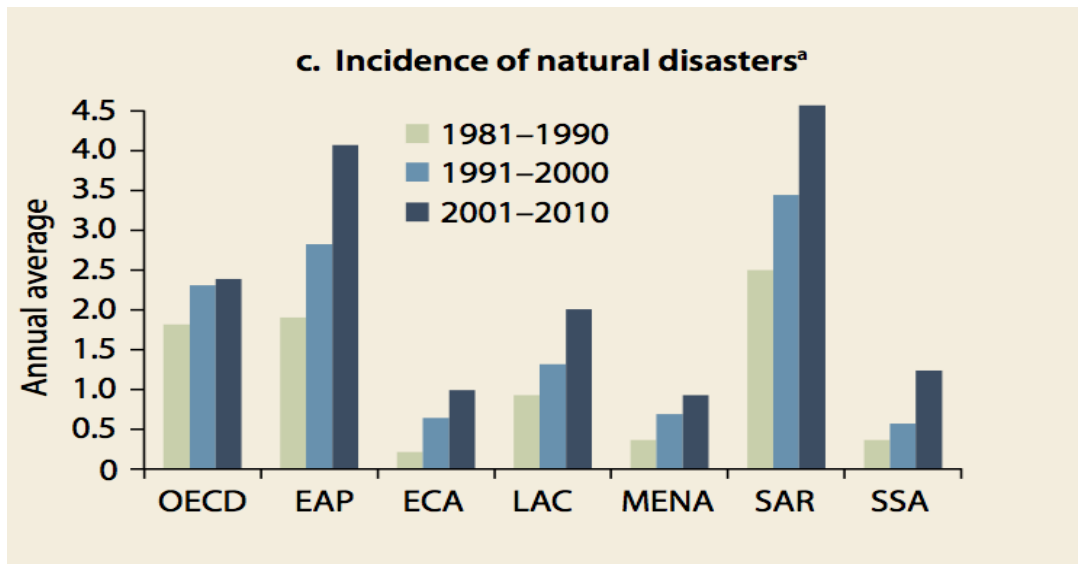


Fig. 2. Incidence of Natural Disasters Across the World



Source: WDR 2014 and EM-DAT OFDA/CRED International Disaster Database, p. 26.

2. Effects on the ASEAN

Climate change impacts are already being felt across the region. Extreme weather events such as typhoons are now more frequent and more intense, causing catastrophic landslides and floods. Prolonged and more frequent droughts lay agricultural areas and forests wasted, as well as compounding water stress (AFAB, 2014).

In addition, the geophysical and climatic conditions shared by the region have also led to common and trans-boundary environmental concerns such as air and water pollution, urban environmental degradation and trans-boundary haze pollution (Letchumanan, 2014).

Increased temperatures are damaging marine resources. And rising sea levels are slowly encroaching on populated coastlines, damaging freshwater reserves. Minus emissions from deforestation, the rapid pace of industrialization in the leading economies of Southeast Asia (Thailand, Indonesia, Philippines, Malaysia, Vietnam and Singapore) also makes the region the third largest contributor of greenhouse gases in Asia (AFAB, 2014).

Together with emissions from deforestation, unchecked forest fires and increasing uptake of dirty energy such as coal fired power plants, it is estimated that the total emissions from Southeast Asia could account for as much as 21% of total global greenhouse gas emissions in the next five years (AFAB, 2014).

Asia suffered the brunt of the most number of disasters³ per year (49% of total in the world) affecting more than 200 million people annually and causing more than USD 41.6 billion in damages annually (Sawada and Zen 2014; see Table 1). The disaster picture for the ASEAN in terms of natural hazards like flood, storm, tsunami and others, is shown in Table 2 below.

³ In general, disasters can be classified into four major groups (Sawada, 2007). The first type is natural disasters, which consist of hydrological disasters (floods), meteorological disasters (storms or typhoons), climatological disasters (droughts), geophysical disasters (earthquakes, tsunamis and volcanic eruptions), and biological disasters (epidemics and insect infestations). The second type of disasters is technological disasters, i.e., industrial accidents (chemical spills, collapses of industrial infrastructures) and transport accidents (by air, rail, road or water means of transport). The final two disasters are manmade which include economic crises (hyperinflation, banking crisis, and currency crisis) and violence (terrorism, civil strife, riots, and war)(As cited in Sawada and Zen, 2014). For this paper, only the natural disasters will be covered.

Table 1: Natural Disaster Occurrence and Impacts: Regional Figures (Average from 2001 until 2010)

	(1) Number of Natural Disasters per Year					
	Africa	Americas	Asia	Europe	Oceania	Global
Climatological	9	12	11	17	1	50
Geophysical	3	7	21	2	2	35
Hydrological	44	39	82	24	6	195
Meteorological	9	34	40	14	7	104
Total	65	92	153	58	16	384

Data: Annual Disaster Statistical Review 2011, CRED, IRSS & UCL, 2012.

	(2) Number of Victims per Year (in millions)					
	Africa	Americas	Asia	Europe	Oceania	Global
Climatological	12.29	1.22	63.45	0.27	0.00	77.23
Geophysical	0.08	1.02	7.77	0.01	0.04	8.92
Hydrological	2.18	3.31	100.82	0.35	0.04	106.70
Meteorological	0.35	2.72	35.88	0.11	0.04	39.10
Total	14.91	8.27	207.92	0.74	0.12	231.95

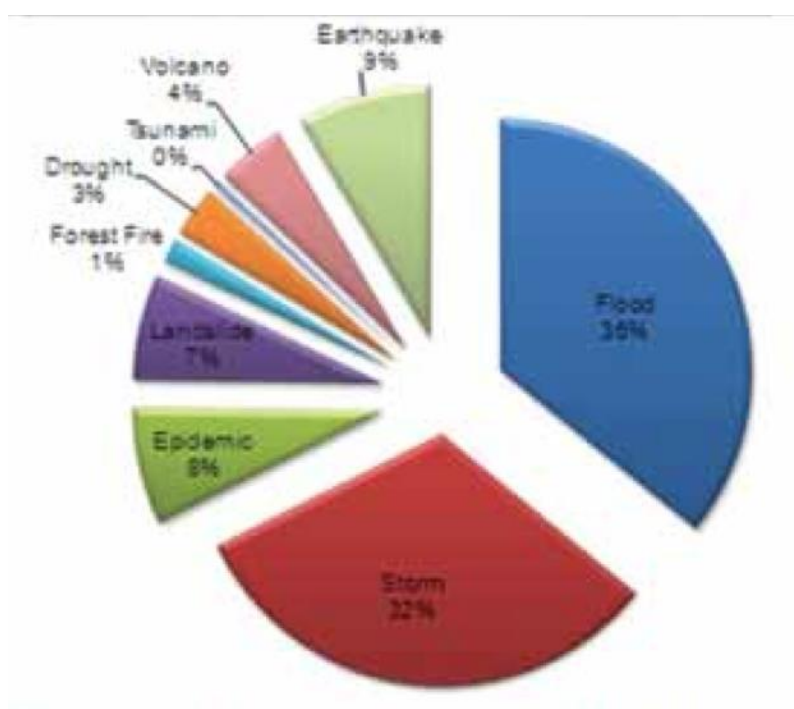
Data: Annual Disaster Statistical Review 2011, CRED, IRSS & UCL, 2012.

	(3) Damages (in USD Billions)					
	Africa	Americas	Asia	Europe	Oceania	Global
Climatological	0.04	1.90	3.45	3.23	0.48	9.10
Geophysical	0.69	4.75	17.38	0.57	0.69	24.08
Hydrological	0.28	3.15	11.15	5.57	1.24	21.39
Meteorological	0.08	40.47	9.62	4.03	0.56	54.77
Total	1.10	50.27	41.61	13.40	2.97	109.35

Data: Annual Disaster Statistical Review 2011, CRED, IRSS & UCL, 2012.

Table 2. Disaster Risk Statistics in ASEAN, 1970-2009

Disaster Risk Statistics (1970-2009)				
<i>Disaster type</i>	<i>No. of disasters / year</i>	<i>Total no. of deaths</i>	<i>Deaths / year</i>	<i>Relative vulnerability (deaths/year / million)</i>
Flood	10.85	17,800	445.0	0.75
Storm	9.65	184,063	4,601.6	7.76
Epidemic	2.28	7,294	182.4	0.31
Landslide	2.05	5,058	126.5	0.21
Forest Fire	0.45	310	7.8	0.01
Drought	0.98	1,337	33.4	0.06
Tsunami	0.15	92,021	2,300.5	3.88
Volcano	1.33	1,380	34.5	0.06
Earthquake	2.58	105,735	2,643.4	4.46



Source: UNISDR and World Bank 2010

A recent Climate Change Vulnerability Index (CCVI)⁴, released by the global risks advisory firm Maplecroft, ranked 67 countries as extremely vulnerable to climate change. The economic impacts of climate change will be most keenly felt by Bangladesh (1st and most at risk), Guinea-Bissau (2nd), Sierra Leone (3rd), Haiti (4th), South Sudan (5th), Nigeria (6th), DR Congo (7th), Cambodia (8th), Philippines (9th) and Ethiopia (10th), which make up the 10 most at risk countries out of the 193 rated by the CCVI. However, other important growth markets at risk include: India (20th), Pakistan (24th) and Viet Nam (26th) in the 'extreme risk' category, in addition to Indonesia (38th), Thailand (45th), Kenya (56th) and, most significantly, China (61st), all classified at 'high risk.' (Maplecroft, 2014) Maplecroft's CCVI has been developed to identify climate-related risks to populations, business and governments over the next 30 years, down to a level of 22km² worldwide. It does so by evaluating three factors: exposure to extreme climate-related events, including sea level rise and future changes in temperature, precipitation and specific humidity; the sensitivity of populations, in terms of health, education, agricultural dependence and available infrastructure; and the adaptive capacity of countries to combat the impacts of climate change, which encompasses, R&D, economic factors, resource security and the effectiveness of government.

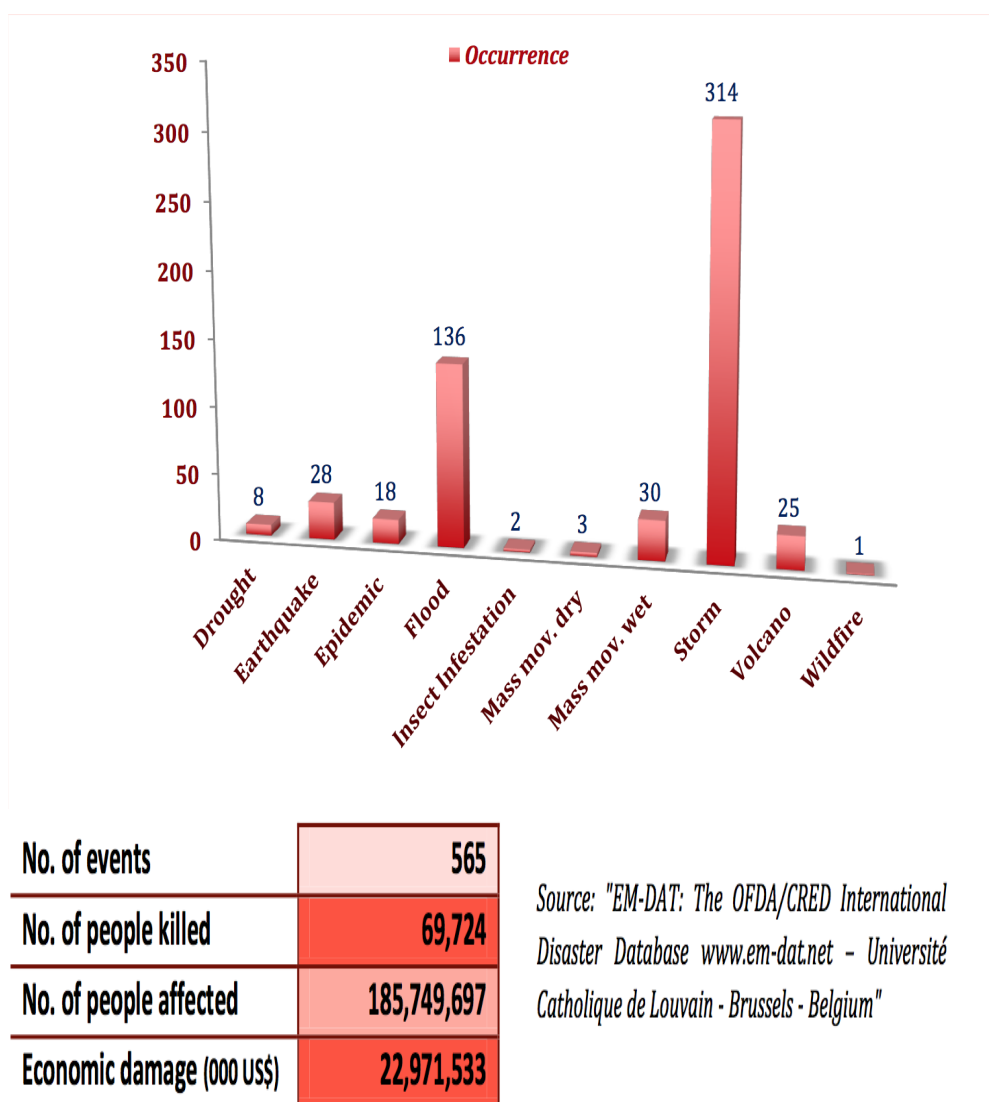
With regard to the region, a 2009 study by the Asian Development Bank (ADB), suggests that on average Southeast Asia "is likely to suffer more from climate change than the rest of the world, if no action is taken." Letchumanan (2014) continues that such action should be "a holistic and integrated response, which cannot be fixed by technology or finite human or capital resources alone." In addition, Sano (as cited in Oxfam, 2014) suggests that the only global multilateral process that addresses climate change, e.g., the United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto protocol, has to move because "we cannot solve a wholesale problem like climate change with retail solutions at the individual or national level only."

3. Effects on the Philippines

For the Philippines, a similar pattern may be observed (See Fig. 3). Storms and floods have perennially wrought havoc to the country. Natural disasters have affected the country's people, property and businesses, amounting to some USD 29B in economic damages per year (COA 2014). Being archipelagic and because of its location, the country is one of the most vulnerable to these impacts. The Philippines ranked highest in the world in terms of vulnerability to tropical cyclone occurrence and third in terms of people exposed to such seasonal events.

⁴ *The Climate Change Vulnerability Index is a global ranking instrument, calculating the vulnerability of 170 countries to the impacts of climate change over the next 30 years. CCVI evaluated 42 social, economic and environmental factors to assess national vulnerabilities. These include exposure to climate-related natural disasters and sea-level rise; human sensitivity, in terms of population patterns, development, natural resources, agricultural dependency and conflicts; and assessment of future vulnerability by considering the adaptive capacity of a country's government and infrastructure to combat climate change (Maplecroft, 2010).*

Fig. 3. Occurrence of Natural Disasters in the Philippines, 1900-2014



Source: "EM-DAT: The OFDA/CRED International Disaster Database www.em-dat.net - Université Catholique de Louvain - Brussels - Belgium"

Source: Commission on Audit, Assessment of Disaster Risk Reduction and Management (DRRM) at the Local Level, 2014, p.8.

Responses to Climate Change

Addressing the risks and hazards of climate change has been considered a post-2015 development agenda (sustainable development goals or SDGs), beyond the concerns of achieving the Millennium Development Goals of generally halving poverty by 2015 (GPDRR, 2013).

Advocacies and actions towards disaster risk reduction and the building of resilience⁵ have been put forward, including specifically, 1) the call on countries to develop nationally agreed standards for hazard risk assessment especially of critical infrastructure like schools, health centers, electricity and water systems, nodal ITC data centers, road and transport systems; 2) the call on the private sector to incorporate disaster risk considerations in risk management practices; and 3) stimulate collaboration among the public and private sectors at the national and local levels in risk management (GPDRR 2013 as cited by Hitoshi, 2014).

1. Initiatives of the ASEAN

For the ASEAN, the ASEAN Leaders have expressed their concern and commitment for ASEAN to play a proactive role in addressing climate change through their declarations to the 2007 Bali and 2009 Copenhagen UN Conferences on Climate Change. They view the protection of the environment and the sustainable use and management of natural resources as essential to the long-term economic growth and social development of countries in the region. The ASEAN Vision 2020 calls for “a clean and green ASEAN” with fully established mechanisms to ensure the protection of the environment, sustainability of natural resources, and high quality of life of people in the region (Letchumanan, 2014; www.asean.org).

To realize the ASEAN Vision, in October 2003, the Heads of State/Government of ASEAN Member States (AMS) declared that “an ASEAN Community shall be established comprising three pillars, namely political and security cooperation, economic cooperation, and socio-cultural cooperation that are closely intertwined and mutually reinforcing for the purpose of ensuring durable peace, stability and shared prosperity in the region”. The Roadmap for an ASEAN Community 2009 - 2015 lays out the goals, strategies and actions to realize the ASEAN Community by 2015 – an ASEAN Community that is politically cohesive and peaceful, economically integrated and vibrant, and socially responsible and caring (Letchumanan, 2014; www.asean.org).

ASEAN has been actively engaged in international negotiations in ensuring a fair, effective and equitable outcome for a new climate change regime. The ASEAN Member States made a number of declarations and statements supporting climate change since 2007. These include:

- A. ASEAN Declaration on Environmental Sustainability (13th ASEAN Summit in 2007)
- B. ASEAN Declaration on COP-13 to the UNFCCC and CMP-3 to the Kyoto Protocol (13th ASEAN Summit in 2007).
- C. Singapore Declaration on Climate Change, Energy and the Environment (3rd EAS Summit in 2007)
- D. Joint Ministerial Statement of the 1st EAS Energy Ministers Meeting (2007)
- E. Ministerial Statement of the Inaugural EAS Environment Ministers Meeting (2008)
- F. ASEAN Joint Statement on Climate Change to COP-15 to the UNFCCC and CMP-5 to the Kyoto Protocol (15th ASEAN Summit in 2009)
- G. Singapore Resolution on Environmental Sustainability and Climate Change (11th AMME in 2009 as cited in Letchumanan, 2014).

⁵ Disaster resilience is defined as the ability of countries, communities, businesses, and individual households to resist, absorb, recover from, and reorganize in response to natural hazard events, without jeopardizing their sustained socioeconomic advancement and development (ADB. 2012. *Investing in Resilience: Ensuring a Disaster-Resistant Future*. Manila) It recognizes the highly dynamic, continually shifting nature of the state of resilience as populations grow and move; capital investments expand; and the frequency and intensity of meteorological, hydrological, and climatological events change as a consequence of climate change. Disaster resilience at all levels of society is a critical component of efforts to achieve sustainable socioeconomic development and poverty reduction.

Indonesia hosted the 13th Conference of Parties (COP13) of the United Nations Framework Convention on Climate Change (UNFCCC) in Bali in 2007, which set in place the Bali Roadmap initiating the current talks to conclude a new global climate change deal in Copenhagen in December 2009.

ASEAN has also ensured their commitment towards effective bilateral, regional and global partnership to promote the development and transfer of low carbon technologies including cleaner and climate-friendly technologies.

Building partnerships with international financial and development cooperation institutions to encourage innovative financing options is predicted to stimulate investment in climate-friendly technology and development for ASEAN and the rest of the world. It is recognized within this context that economic and social development, including poverty eradication and environmental protection, are principal priorities of developing countries.

These are also captured in the ASEAN Socio-Cultural Community (ASCC) Blueprint 2009 – 2015, the main strategic objective of which is to enhance regional and international cooperation to address the issue of climate change and its impacts on socio-economic development, health and the environment (Letchumanan, 2014; www.asean.org).

In addition, the region has developed the ASEAN Agreement on Disaster Management and Emergency Response (AADMER): Regional Cooperation Towards a Disaster Resilient Community. The AADMER is a regional legally binding framework or agreement that binds ASEAN Member States together to promote regional cooperation and collaboration in reducing disaster losses and intensifying joint emergency response to disasters in Southeast Asia (<http://drrknowledge.net/intl-protocols/> Accessed October 6, 2014). It has also adopted a number of Plans, which include, among others: 1) ASEAN Climate Change Initiative; 2) Green Capitals Initiative; 3) Agreement on the Trans-boundary Haze Pollution; 4) ASEAN Heritage Parks Program; and 5) ASEAN Initiative on Environmentally Sustainable Cities (Letchumanan, 2014).

2. Addressing Climate Change in the Philippines

Meanwhile, in response to the urgency for action on what has essentially become a global crisis, the Philippine government passed Republic Act 9729, also known as the Climate Change Act of 2009, anchored on the constitutional provision which states that “it is the policy of the State to afford full protection and the advancement of the right of the people to a balanced and healthful ecology... to fulfill human needs while maintaining the quality of the natural environment for current and future generations.” (CCC, 2011).

RA9729 provides the policy framework with which to systematically address the growing threats on community life and its impact on the environment. Among others, it instituted of a Climate Change Commission (CCC), an independent and autonomous body that has the same status as that of a national government agency. The CCC is under the Office of the President and is the “sole policy-making body of the government which shall be tasked to coordinate, monitor and evaluate the programs and action plans of the government relating to climate change” (Section 4). Specifically, the CCC’s functions include:

- The formulation of a framework strategy and program, in consultation with the global effort to manage climate change,
- The mainstreaming of climate risk reduction into national, sector and local development plans and programs,
- The recommendation of policies and key development investments in climate-sensitive sectors,
- The assessments of vulnerability and facilitation of capacity building.

The national climate change framework strategy has recently been translated into a National Climate Change Action Plan (NCCAP), which prioritizes food security, water sufficiency, ecosystem and environmental stability, human security, climate-smart industries and services, sustainable energy, and capacity development as the strategic direction for 2011 to 2028.

The Philippines through the CCC later crafted the National Framework Strategy for Climate Change 2010-2022 in 2010 and the National Climate Change Action Plan: 2011-2028 in 2011 (CCC, 2011).

The Framework envisions a climate risk-resilient Philippines with healthy, safe, prosperous and self-reliant communities, and thriving and productive ecosystems. The goal is to build the adaptive capacity of communities and increase the resilience of natural ecosystems to climate change, and optimize mitigation opportunities towards sustainable development.

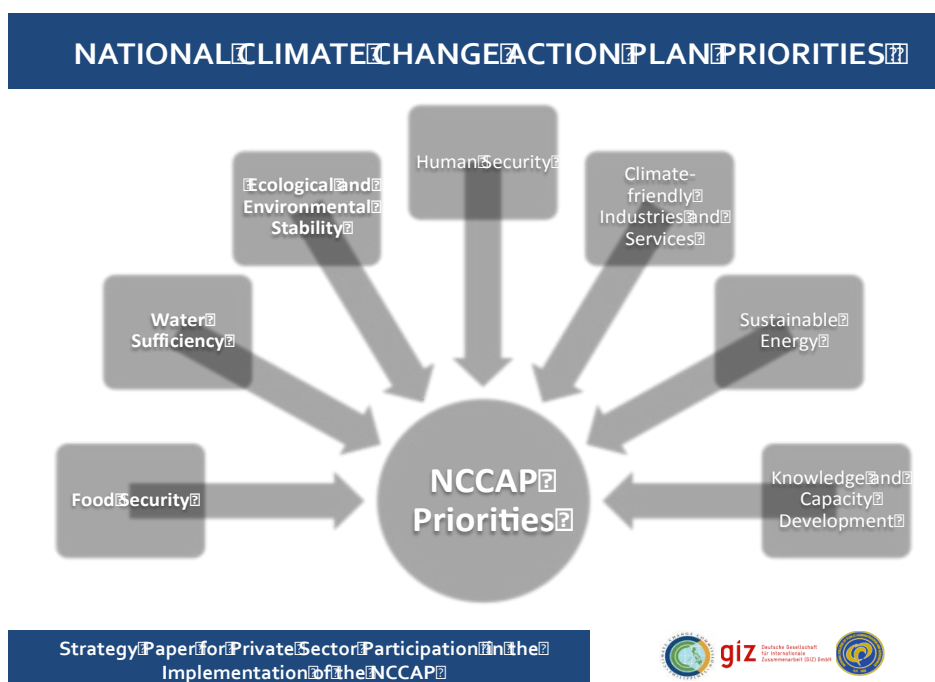
In addition, it recognizes the value of forming multi-stakeholder participation and partnerships in climate change initiatives, including partnerships with civil society, the private sector and local governments, and especially with indigenous peoples and other marginalized groups most vulnerable to climate change impacts. Also, policy and incentive mechanisms to facilitate private sector participation in addressing adaptation and mitigation⁶ objectives shall be promoted and supported (CCC, 2011).

The Action Plan meanwhile comprehensively addresses the challenges of climate change. Public financing will prioritize adaptation to reduce vulnerability and risks of communities particularly the marginalized poor. At the same time, this plan will provide a policy environment that will encourage the participation of the private sector to optimize mitigation opportunities towards sustainable development. Its priority programs include the following (Fig. 4).

Private Sector Participation in Climate Change Initiatives

Planning to address climate change has been the domain of government. However, to effectively address the adverse effects of extreme weather events and other manifestations of this global problem, and ensure successful implementation of these initiatives, there is an urgent need to engage the private sector, civil society and ordinary citizens because the government cannot do these enormous tasks alone.

Fig. 4. The National Climate Change Action Plan Priorities



Source: CCC 2012

⁶*Climate change mitigation* is a human intervention to reduce the sources or enhance the sinks of greenhouse gases (IPCC 2013). *Adaptation* is the process of adjustment to actual or expected climate and its effects. In human systems, adaptation seeks to moderate or avoid harm or exploit beneficial opportunities. In some natural systems, human intervention may facilitate adjustment to expected climate and its effects (IPCC, 2014)

1. The Need for Private Sector Participation

The private sector has particular competencies, which can make a unique contribution to adaptation, through innovative technology, design of resilient infrastructure, development and implementation of improved information systems and the management of major projects (IFC, 2010). It is also essential to mobilize financial resources and technical capacity, leverage the efforts of governments, engage civil society and community and develop innovative climate services and adaptation technologies (Biagini and Miller, 2013).

Unfortunately, governments are not clear on how to engage the private sector. Likewise, private sector efforts at climate change mitigation and adaptation are not widely understood nor seen as good business practice. Also, in general, their participation is impeded by several obstacles (Biagini and Miller, 2013).

In addition, relatively few (private) companies have yet considered both the impact of climate change on their existing activities, and perhaps as importantly, the new commercial opportunities that will emerge both domestically and globally. Specifically, corporate climate change (initiative) is perceived to be either irrelevant or at best an extension of their Corporate Social Responsibility (CSR) (IFC, 2010).

Likewise, financial institutions in both public and private sectors lack the capacity to evaluate 'innovative projects, goods and services' for climate change mitigation and adaptation. This lack of understanding of specific types of climate change investments and their risk profiles means that banks often find it difficult to develop and structure appropriate financial products. Add to this is a seeming consensus that the bulk of climate change funding would be administered by the government with a lot of the implementation done by Non- Government Organizations (NGOs). Hence there was little incentive or motivation for companies to commit scarce and valuable senior management time to consider opportunities in tackling climate change (IFC, 2010).

Nevertheless, the information gaps and awareness inadequacies are now gradually being filled and built. There seems to be a greater appreciation of the risks and costs of climate change at present as many countries have identified their own climate change priorities through their National Climate Change Action Plans (NCCAPs). They have also publicized these needs in the form that may encourage business engagement.

Private initiatives are not a substitute for governmental efforts, and indeed, the former are very dependent on the latter for information, supportive policies and regulation, and other support. Some elements of climate change adaptation (and mitigation) are primarily or even exclusively government functions and are likely to remain so, particularly the provision of basic weather and climate information, design and implementation of risk management policies (e.g., building codes, land use restrictions, and insurance regulations), and disaster planning and preparedness.

2. Private Sector Engagement (PSE)

The private sector is more and more engaged now to help government address climate change. This is mainly due to the realization that extreme weather disturbances and weather-related disasters pose and have, in fact, caused financial losses to several businesses. Disrupted production and delivery due to floods, typhoon, and earthquake, for example, resulted in dramatic losses, thus prompting the private sector to think of solutions to sort of minimize, if not totally avoid, such vulnerabilities.

Not surprisingly, one of the very first climate change adaptation-related steps taken by private sector organizations is to prepare for and manage their exposure to climate change. "Climate proofing" of public sector investments became a natural and logical response. Design and construction of factories, workplaces and economic zones, among others, took into consideration safety and environmental standards meant to protect business from unforeseen climate-related catastrophes.

It did not take long for the sector to realize that its interventions and action must go beyond its own backyard. Private sector organizations were soon engaged also in rehabilitating and making

resilient communities mostly under the ambit of their CSR and Corporate Social Investment. Furthermore, there also came “emerging business opportunities in helping others to reduce their climate risks. These include generating new finance, to help fill the massive deficit in available funds for adaptation; designing, manufacturing and distributing goods and services that can help reduce the vulnerability of individuals and communities to climate change; and, providing risk management tools, including insurance” (SEI, 2010).

A survey of existing climate change-related programs across the world reveals that the private sector has covered areas such as capacity building, education and training; finance and insurance; food, agriculture, forestry and fisheries; technology and information & communications technology (ICT); water resources; science, assessment, monitoring and early warning; business; and human health (GEF, 2012).

A new model is emerging, e.g., Area Business Continuity Paradigm (BCP), which embraces and forges various means of collaboration, unified (area scale) management in coordination with public and private sectors, and sharing of critical resources such as water, energy, transportation and communication, to ensure continuity of business operations or promptly restart business after disasters (Hitoshi, 2014).

3. PSE in the Philippines

In the Philippines, space has been provided for the private sector to participate in any of the activities in the National Climate Change Action Plan (NCCAP) (See Table 3).

Table 3. Possible Private Sector Engagement in the NCCAP

Priorities	Outcomes	Possible Private Sector Engagement
1. Food security	The objective of the national strategic priority on food security is to ensure availability, stability, accessibility, and affordability of safe and healthy food amidst climate change.	Firms can support the crop-specific vulnerability assessments and integration of climate change in farming and fishing practices and trainings
2. Water sufficiency	In light of climate change, however, a comprehensive review and subsequent restructuring of the entire water sector governance is required. It is important as well to assess the resilience of major water resources and infrastructures, manage supply and demand, manage water quality, and promote conservation.	Private sectoparticipation in the rehabilitation and improvement of water infrastructure and management systems will enhance initiatives in sustaining equitable access to safe and affordable water.
3. Ecological and Environmental stability	Ecosystem resilience and environmental stability during the plan period is focused on achieving one immediate outcome: the protection and rehabilitation of critical ecosystems, and the restoration of ecological services.	Promotion of environmentally-sound business practices will contribute much to promoting environmental and ecological stability
4. Human security	The objective of the human security agenda is to reduce the risks of women and men to climate change and disasters.	Firms that deliver health and social protection packages, and those that help establish human settlements are key to improving responsive health and social delivery systems.
5. Climate-friendly industries and services	NCCAP prioritizes the creation of green and eco-jobs and sustainable consumption and production. It also focuses on the development of sustainable cities and municipalities.	Climate-Smart Industries and Services promote green industries (those that put heavy emphasis on low-carbon strategies and mitigation efforts), the creation of green jobs, and the development of sustainable cities and municipalities.

6. Sustainable energy	NCCAP prioritizes the promotion and expansion of energy efficiency and conservation; the development of sustainable and renewable energy; environmentally sustainable transport; and climate-proofing and rehabilitation of energy systems infrastructures.	For promotion and use of sustainable energy, the private sector is particularly important as they have great potential for developing, promoting and marketing alternative environmentally sustainable transport and renewable energies.
7. Knowledge and capacity development	The priorities of the NCCAP on knowledge and capacity development are: • Enhanced knowledge on the science of climate change; • Enhanced capacity for climate change adaptation, mitigation and disaster risk reduction at the local and community level; and • Established gendered climate change knowledge management accessible to all sectors at the national and local levels.	They also have roles to play in cross-cutting strategies such as gendered knowledge management, capacity building, research and development and technology transfer.

Source: CCC 2010

This space has been filled up by the private sector in the country through initiatives such as technology transfer, information, education and communication (IEC) campaigns, capacity building, research and development. Specifically, based on our initial mapping, the following are some of the PSE in climate change adaptation and mitigation in the Philippines (Table 4):

Table 4. Initial Mapping of Private Sector Engagement in Climate Change Adaptation and Mitigation in the Philippines

Food Security
Setting up of a state-of-the-art egg production facility in Tarlac that would use modern ventilation and climate control mechanisms to ensure high production. 2014 AgriNegosyo Summit for agri-entrepreneurs and provision of industry-leading technology such as business connectivity solutions and cloud computing and storage services to help them develop and maintain innovative services. Sustainable large-scale organic moringa agribusiness for the MNFA farmers and partner organizations, which includes technical assistance to the farmers on organic and natural farming techniques for successful implementation of organic methods.
Water Sufficiency
The “Adopt-a- Watershed” program in Ipo, begun in 2006, engaged volunteer organizations in reforestation. The 2 concessionaires reforested 110 hectares in 2010 and 450 hectares in 2011. The reforestation target for 2012 onwards is 900 hectares per year. Wastewater recycling and resource recovery strategies (Anaerobic digestion and recovery of methane gas from wastewater)
Ecological and Environmental Stability
Hiring of foresters to provide technical assistance in various reforestation methods; alternative livelihood for villagers (former kaingeros and charcoal-producers) Develop an alternative ecotourism destination near Baguio City where tourists, guests, and visitors can commune with nature, can be entertained with indigenous culture, and can buy fresh products Designing, developing and assembling electric vehicles as substitutes for smoke-belching gasoline or diesel-fueled vehicles. Setting up of the first integrated green charcoal, vermicast, biotech fertilizer and pest control production lines PEMC Cares coastal cleanup campaign in Calatagan, Batangas. PEMC partnered with Hands-on Manila to implement the activity, in cooperation with the Conserve and Protect Oceans Foundation (CAP-Oceans) SKAL Tourism Personality Awards include a category on environment and agri-tourism.
Human Security
Plant rehabilitation and refurbishments to ensure energy security, develop a sustainable energy system, and promote human health and security Introduction of a unified number (7622) that may be used for free during disaster - powered by Chikka

Libreng Tawag Centers for affected residents during typhoon and other natural disasters in some areas in NCR. #StaySafePH shares valuable tips and info on how to be safe during times of calamities and disasters. Selected Globe stores have also offered free charging for customers' mobile phones and gadgets. Barangay emergency response programme (BERP)/Neighborhood emergency services team (NEST) Master planned communities - Veritown Fort in Bonifacio Global City, Filinvest City, Makati CBD, Circuit Makati, Vista City, ARCA South Distribution of 200 fiberglass-fishing boats to fishermen in Ormoc City affected by typhoon Yolanda through the 6200 Mission Possible Project in Leyte IV. Megaworld's percentage distribution of its total donations to charitable causes - 6% for calamity response and 1% for environment
Climate Smart Industries and Services
Investing in a global flash storage solutions to boost disaster recovery, backup and replication processes. The system is used to store and manage designs, keep an eye on budgets, manage suppliers, communicate with customers and control projects; In the event of disaster, getting systems fully up and running again would now require only 20 minutes as compared to at least half a day to restore just one database to one server in the past. Backups, which used to take 8 hours, are now completed within 5 minutes. (Source: Mercurio, R.S., "Ortigas & Co. investing in modern technology with Nimble Storage", Phil Star 21 Sept 2014:B-5) Wastewater recycling and resource recovery strategies (Anaerobic digestion and recovery of methane gas from wastewater) Development and commercialization of the solar-powered Automated Weather Monitoring System for urban and rural use
Climate Smart Industries and Services
Preparation of an industry roadmap to create an environment where the use of electric vehicles is highly promoted, encouraged and supported by both the Philippine government and society that would lead to eco-friendly and efficient transportation. The Philippine Green Building Council (PHILGBC) was organized to serve as a single voice in the promotion of holistic and market-based green building practices by developing a green building rating system called Building for Ecologically Responsive Design Excellence (BERDE) Rating System, the Philippines' own green building rating system (Source: http://philgbc.org/) Air conditioning system with comfort-cooling technology, energy-saving and durability features through their comfort cool and efficiently designed heat transfer system. The air conditioning unit has high energy efficiency ratio (EER) compared with other brands with the exact same horsepower. Use of fiber cement (green building material) for the quick construction of affordable yet long-lasting homes to grapple with destructive Clean Fleet Management - Improve the fuel efficiency and attain sustainable greenhouse gas (GHG) reduction on the business operations, specifically its 350 units of fleet
Sustainable Energy
Net metering service and provision of solar energy systems, commercial and residential clients that are within the grid: Households can sell excess electricity generated through renewable energy (i.e., solar power) through credit system. RAMCAR/Motolite's development of deep cycle batteries for solar panels to generate solar power. A solar facility was set up for testing. Meralco Power Academy's SOLAR PV Boot Camp - training and information dissemination on new technology in the energy sector
Knowledge and Capacity Development
Disaster related computer applications, such as NABABAHA.COM, a system that enables real-time flood simulation SHELL ECO-MARATHON (SEM) program on smarter mobility, the engineering student teams whose unique vehicle design and construction, travel the farthest distance using the least amount of energy Bayer Young Environmental Envoy (BYEE) Program – College students participate in a five-day Eco-Camp. Resource persons from government, business, academe, the private sector, and non-governmental organizations talk about what their respective sectors are doing for the environment. In-situ education for ecovillage design and community resilience by establishing a doable and replicable model of sustainable living, which shall serve as teaching demonstration area
Climate Financing
Forms of financing of CCAs Endowments and grants for CCA initiatives Financing instruments, e.g. credits and guarantees for projects and public private partnerships Technical assistance to projects, e.g., capacity building, consultation

BPI's funding of research study "Business Risk Assessment and the Management of Climate Change Impacts"

Assess the vulnerability levels of cities prone to the impacts of climate change. Cities - Cebu, Davao, Baguio and Iloilo (2010); Cagayan de Oro, Zamboanga, Laoag and Dagupan (2012), Angeles, Tacloban, Naga and Bacolod (2013)

IFC's advisory services

(BDO) giving the local private sector appropriate financing for sustainable energy investments

(Manila Water) public-private partnership advisory support from IFC

\$60 million in long-term debt financing in 2003 and another \$15 million in equity in 2005 to Manila Water

BDO Capital's collaboration with four local commercial banks to finance a syndicated term loan for the 67.5 MW wind power project in Pililla, Rizal.

BPI loan financing of Central Mall Biñan solar rooftop project

First solar project that was granted loan financing by BPI

Due to Solar Philippines' BOI accreditation, the project enjoys tax exemptions and credits

Purchase power agreement between Solar Philippines and Premiumlink: energy generated by the solar power plant is sold to the mall for its own consumption at a lower rate

Reduces the mall's electricity bills by Php100, 000

Source: NCPAG UPD, 2014

Implications on Regional Governance

Climate change is a regional and global development issue that requires collective solutions. Addressing its adverse effects would require mitigation, adaptation, disaster preparedness, recovery, rehabilitation and other initiatives from the government, the civil society and private sector and also from ordinary citizens like you and I not only in my country, your country but of our common planet, the Earth.

In this paper, some of the initiatives of the private sector in climate change adaptation and mitigation have been presented. Private initiatives are shown not a substitute for governmental efforts, but as complementary to government's as the former are still very dependent on the latter for information, supportive policies and regulation, and other support.

Some elements of climate change adaptation (and mitigation) are primarily or even exclusively government functions and are likely to remain so, particularly the provision of basic weather and climate information, design and implementation of risk management policies (e.g., building codes, land use restrictions, and insurance regulations), and disaster planning and preparedness.

Progressively, what emerged in the relationship between the government and the private sector in dealing with climate change appears anchored on the concept of 'collaborative governance' (Ansell, n.d), which is a new form of governance that has evolved to replace adversarial and managerial modes of policy making and implementation. It brings public and private stakeholders together in collective forums with public agencies to engage in consensus-oriented decision making, to manage conflict, improve coordination, and harness creativity. It involves multiple stakeholders engaged in multilateral interactions about multi-dimensional issues (Ansell and Gash 2007) like climate change.

There are tasks that have yet to be done like a) Assessing Risk; global economic losses, small local events; b) Targeting the root causes of risk: price fluctuations, unemployment, violence, conflict, and health burden; c) Including Communities for results: women, youth, disabilities; d) Leading at the local level: municipalities, schools and hospitals; e) Recognizing private sector as actor and partner: economic growth, resilient business and investment; f) Strengthening risk governance: communities and local governments; g) Strengthening scientific and technical support: analysis, knowledge, data, tools, method; and h) Building mutually reinforcing agendas: sustainable development, environment, climate change impact, economic and social development (GPDRR 2013 as cited in Hitoshi 2014). But if the multiple stakeholders concerned continue to trust one another, have open and transparent lines of communication, and embrace the common multidimensional problems and solutions as their responsibilities, there is hope that climate change may be addressed more holistically, multilaterally and successfully in the near future.

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Compliance with, and Effective Implementation of Multilateral Environmental Agreements: Looking Back at the Transboundary Haze Pollution Problem in the ASEAN Region *

(20)

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Abstract

“Smoke haze” is a transboundary pollution problem which severely affected the Southeast Asian region during its most devastating occurrence in 1997-1998. As a response, the ASEAN implemented its Regional Haze Action Plan in 1997 backed up by a legal framework called ASEAN Agreement on Transboundary Haze Pollution which took effect in 2003. Looking back, this paper will attempt to explain the regulatory ability of the ASEAN to solve the problem by investigating the compliance of four countries (i.e., Indonesia, Malaysia, Singapore, and the Philippines) with the regional anti-haze pollution measures, and their implementation of domestic laws to stop forest fires.

Keywords: Smoke haze/ Environmental and Disaster Management/ ASEAN

Introduction

In 1997-1998, the Southeast Asian (SEA) region suffered from what is called “smoke haze pollution.” It is air pollution that consists primarily of “carbon dioxide, sulphur dioxide, other greenhouse emissions, and combustion particulates from proliferating smokestacks, forest fires, and motor vehicles in the newly-industrializing countries around the South China Sea” (Rosenberg, 1999, p. 119). Later, it was labelled as “transboundary haze pollution” (THP) to emphasize its international/regional character, i.e., it reaches other countries, not just its country of origin. One author succinctly characterizes THP this way:

The word ‘haze’ seems more appropriate, particularly in the regional context as it drifts disastrously over other territories away from the source. It is the ‘dirty cloud of haze’ that gives the fire a regional or transboundary dimension and brings in the social dimension of health and safety. The term “haze” internalizes all the factors leading to the production of haze – the condition of forests, land clearing, combustible residues, and ignition source (Qadri, 2001, p.61).

In general, it is said that population explosion, rapid urbanization, economic growth, and increased material consumption are some of the leading causes of forest fires and the increase in smokestacks in the SEA region (Rosenberg, 1999, p. 119). The occurrence of the El Niño-Southern Oscillation is also blamed for this phenomenon (UNEP/NCAR/UNU/WMO/ISDR, 2000; and Heil and Goldammer, 2000, pp.24-37).

In response to the problems brought by the 1997-1998 THP, the Association of Southeast Asian Nations’ (ASEAN) Ministerial Meeting on Haze¹ approved the implementation of the ASEAN Regional Haze Action Plan (RHAP) on 23 December 1997 in Singapore. The RHAP fleshed out the details of the broader provisions on transboundary air pollution in the 1995 ASEAN Cooperation Plan on Transboundary Pollution. Specific implementation guidelines for RHAP were further fleshed out through the so-called Operationalized Regional Haze Action Plan. Less than five years after the RHAP was approved for implementation in 1997, the ASEAN Ministers of Environment signed the ASEAN Agreement on Transboundary Haze Pollution (ATHP) on 19 June 2002 in Kuala Lumpur, Malaysia. It later took effect on 25 November 2003. Its main objective is to prevent, monitor, assess, and prepare for land and forest fires (Article 5).

* This paper was based largely on the author’s dissertation entitled, “Regional Environmental Governance: The Case of the ASEAN Regional Haze Action Plan,” submitted to the Graduate School of Public Administration, International Christian University in 2004.

Read in the 3rd International Conference on “ASEAN Connectivity: Current Issues and Future Prospects Towards ASEAN Community” held at the College of Public Administration and Governance, Mahasarakham University, Mahasarakham Province, Thailand on 17 November 2014.

¹ The ASEAN Ministerial Meeting on Haze (AMMH) is the highest policy-making body in the ASEAN directly tackling the haze issue.

As the ASEAN gears for regionalization by 2015, the case of the ATHP serves as a litmus test for regional environmental governance. First, the THP problem involves the big brothers in the ASEAN, i.e., Indonesia and Malaysia, and a small yet indubitably economic tiger Singapore. These countries are the acknowledged “key players” in the region (including Thailand and the Philippines). Second, this is one of those environmental problems whose solutions require regional cooperation sealed with a regional environmental treaty. Lastly, this thorny problem has sparked heated debates among Indonesia, Malaysia, and Singapore on how to totally prevent forest fires which are the main culprits of the THP, and the solution, it seems, is not yet in sight. Therefore, lessons in environmental governance can be learned to prepare ASEAN for the 2015 regional integration. In dealing with the concerns raised above, this paper aims to answer the following questions: (1) How effective is ASEAN in dealing with the THP? Do ASEAN countries comply with the ATHP? (2) What factors facilitate or hinder efforts of the ASEAN to curb the pollution? (3) What are the possible implications of ASEAN’s environmental decision-making system and practices, as manifested in the way it deals with the pollution, to regional environmental governance? Thus, this paper aims to: (1) conduct a rapid assessment of the progress in eliminating the THP; (2) identify the factors that facilitate and hinder the ASEAN’s efforts to curb this pollution; and (3) discuss the possible ramifications of the decision-making system and practices of the ASEAN to environmental governance in the region.

Compliance with Multilateral Environmental Agreements and Effective Implementation: A Review of Related Literature

The ratification of a regional environmental treaty that would govern the protection of the environment does not end with its signing by the contracting parties. The agreement has to be complied with and implemented effectively in the parties’ jurisdictions. This section briefly reviews the literature on “Compliance,” “Implementation,” and “Effectiveness,” specifically on their concepts, theories, processes, and factors that affect them.

Compliance

There are scholarly discussions on whether compliance comprises mere adherence to the legal standards and principles or changes in behavior (Victor et al. 1998, p.39, footnote 13). However, as can be seen from several of the definitions below, “compliance” is generally associated with both, i.e., adherence to the spirit and intent of the law and changes in behavior:

- “refers to whether countries, in fact, adhere to the provisions of the accord and to the implementing measures that they have instituted” (Weiss and Jacobson, 2000, p.4)
- “(a) state may be in compliance when it has taken the formal legislative and administrative steps” (Chayes and Chayes, 1993, p.193)
- “conduct that conforms with a rule of international law” (Fisher, 1981, p.2)
- “whether behavior conforms with the letter of an international commitment” (Cameron et al., 1996; and Mitchell, 1996)

Henkin’s (1979) most-often quoted generalization, “almost all nations observe almost all principles of international law and almost all of their obligations all of the time,” (quoted from Andresen et al., 1995, p. 21) has a modicum of truth because there are various ways by which contracting parties to international agreements comply or are made to comply. According to Peterson (1997), there are parties which comply on their own volition even if a regime does not exist (spontaneous compliance); there are passive parties which align their conduct with regime prescriptions because the regime has removed barriers to their compliance (regime-enabled compliance); and there are those recalcitrant parties whose behavior changes only after they are shamed, provided with rewards, or threatened with sanctions by others, etc. (induced-compliance) (Peterson, 1997, p.117). Then, there are those which comply with much zealotry, i.e., overcomply, and of course, those which do comply at all (Roginko, 1994, p.3).

Why do nations comply with their international obligations? Chayes and Chayes (1995) assert that compliance saves them transaction costs or serves their interests, or they simply want to follow the fundamental norm of *pacta sunt servanda* (Chayes and Chayes, 1995: pp. 4-8).² We could also add the following reasons listed by Roginko (1994): the rules require no change; the rules are ambiguous; the rules codify preexisting interests; the rules codify existing behavior; and/or there are linkages to other issues (Roginko, 1994, pp.4-6).

On the other hand, states may choose not to comply if the above-mentioned rationales are absent. Specifically, Chayes and Chayes (1995) and Roginko (1994) tell us that non-compliance is brought about by the ambiguity and indeterminacy of the treaty language, by limitations on capacity, by the inflexibility of the agreement to adapt to changes in situations; by lack of domestic concern, inadvertence, and deliberate violations (Chayes and Chayes, 1995, pp. 10-16; and Roginko, 1994, pp. 7-10).

Implementation

For Najam (1995), international environmental commitments have to be “domesticated” first before they can be implemented (Najam, 1995, p.2). He believes: that international factors will influence the implementation process together with domestic factors only; that the most important influence of international factors are their impacts on, and their potential to reshape domestic variables; and that the general explanatory variables that account for the implementation of international commitments are likely to be the same as those for the domestic implementation of domestic policies (Najam, 1995, p.2). Hence, he argues that to understand the implementation of international commitments, it is imperative to be true to, and potentially build upon, the accumulated learning on domestic implementation (Najam, 1995, p.2).

Policy implementation generally involves the creation and enforcement of programs/projects in line with the purposive course of action by the government to enable it to achieve its objectives which are usually sourced out from the inputs and demands of the society. This is reflected in the following definitions/concepts:

“Policies imply theories... Policies become programs when, by authoritative action, the initial conditions are created... Implementation, then, is the ability to forge subsequent links in the causal chain so as to obtain the desired results” (Pressman and Wildavsky, 1973, pp.xiii-xv)
 “Policy implementation encompasses those actions by public or private individuals (or groups) that are directed at the achievement of objectives set forth in prior policy decisions” (Van Meter and Van Horn, 1975, pp.447-448)

“The point at which intent gets translated into action... (1) a declaration of government preferences, (2) mediated by a number of actors who (3) create a circular process characterized by reciprocal relations and negotiations” (Rein and Rabinovitz, 1978, p.308).

On “international implementation,” Victor et al. (1998) equates it with “domestic policy implementation” because it cites the roles of various actors/stakeholders at the international level” (Victor et al. 1998, p.39).

Effectiveness

The literature on “Compliance” and “Implementation” has veered towards the study of the enforcement of international environmental commitments at the domestic level. However, the majority of the evaluative studies on the effectiveness of international environmental protection agreements still focus on the effectiveness of international environmental regimes. The major contributors in this area are Underdal (1980), Young (1982), and Kay and Jacobson (1983). Underdal (1980), for example, introduced the concept of the “law of the least ambitious program” that waters down the creation of robust environmental agreements due to the participation of several economically-, socially-, and politically-diverse parties (Underdal, 1980, p.7). Young (1982), on the other hand, produced evaluation criteria for the assessment of regime functions (Young, 1982, p. 8); and Kay and Jacobson’s (1983) study focused on the role of international organizations on environmental protection activities (Kay and Jacobson, 1983, p.10).

² According to the Vienna Convention on the Law of Treaties, states must comply with their obligations under the Convention in good faith (*pacta sunt servanda*).

Two themes (i.e., political impact and ecological impact) on the dependent variable “effectiveness” emerged out of the studies of the Dartmouth/Harvard and Oslo/Seattle projects. In particular, the political impact studies of the Dartmouth/Harvard (i.e. “behavioral impact”) and of the Oslo/Seattle Project (i.e., “relative improvement caused by the regime”) defined “effectiveness” as changes in the behavior of actors/stakeholders caused by a regime. On the other hand, the ecological impact dimension of the two projects suggest “problem solving” (Dartmouth/Harvard) and “distance to collective optimum” (Oslo/Seattle) as measures of “effectiveness.” This dimension calls for improvement in environmental conditions (Andresen et al., 1995, pp.18-19).

The various definitions of “effectiveness” below reflect the continuing debates and diverse perspectives on what constitutes effective implementation of international environmental protection agreements. Is it the extent of behavioral changes of the target groups, or the extent to which the environmental conditions have improved, or both?

- “The condition of being able to solve a particular problem” (Weiss and Jacobson, 2000, p.5).
- “The degree to which international environmental accords lead to changes in behaviour that help solve environmental problems” (Victor et al., 1998, p. 1).
- “Solving the problem that motivated participants to establish a regime in the first place” (Young et al., 1991, p.8).
- “Success in attaining goals set forth in constitutive agreements” (Young et al., 1991, p.8).
- “Altering patterns of behaviour deemed relevant to the problem” (Young et al., 1991, p.8).
- “Maximizing domestic compliance with rules articulated in international agreements” (Young et al., 1991, p.9).

In advocating for the use of the behavioral approach to explain why some international environmental agreements are more “successful” than others, Young (1994, and 1999a) explains that environmental concerns are collective-action problems and those that are involved are unitary actors making choices on the basis of utilitarian calculations (Young, 1999a, p. 28). Therefore, the challenge is to identify the actors and stakeholders involved; their interests and roles in the issue; and the design mechanisms that would realign these interests and roles with the objectives of the environmental protection measures (Young, 1999a, p.28). In another book, Young (1999b) concludes that “the most productive approach is to focus on the behaviour of actors giving rise to problems, bearing in mind the need to think hard about the extent to which behavioural change serves to alleviate the problems under consideration” (Young, 1999b, pp.277-278).

Framework for Analysis

The framework of this paper draws heavily on the work of Weiss and Jacobson (2000) about compliance with binding treaties or “hard laws,” as well as on Shelton’s book (2000) on compliance with non-binding treaties or “soft laws.”

In a book edited by Weiss and Jacobson (2000), they proposed a model with which the compliance with, implementation and effectiveness of, international accords could be analyzed. They called it “A Comprehensive Model of Factors That Affect Implementation, Compliance, and Effectiveness” (Weiss and Jacobson, 2000, p. 537). The model posits that the implementation and effectiveness of, and compliance with, international environmental accords could be explained by variables grouped into four broad categories:

1. characteristics of the activity involved;
2. characteristics of the accord;
3. features of the international environment; and
4. factors involving the country.

On the other hand, Weiss (2000), in her concluding remarks of the book edited by Shelton (2000), states that the compliance studies on non-binding instruments reveal that the variables used to assess compliance with hard laws are also applicable to soft laws. Aside from that, she also mentions that the soft laws’ contents, contexts, and institutional mechanisms have significant effects on compliance. Specifically, Weiss (2000, pp. 535-553) cites the following factors:

1. the soft law's linkage to hard law and/or to placement within the context of a complex international regime;
2. the momentum brought about by the occurrence of rapid events and quick changes in the "landscape;"
3. when there is a continuing long-term relationship among participants in which they must interact;
4. when the law is supported by established social norms;
5. where there is a shared desire among the signatories to maximize welfare and minimize transaction costs;
6. when there is the threat of sanctions; and
7. when institutional structures encourage transparency and accountability.

Taking all of these together, the framework for analysis for this paper is presented on **Figure 1**. The independent variables are the following:

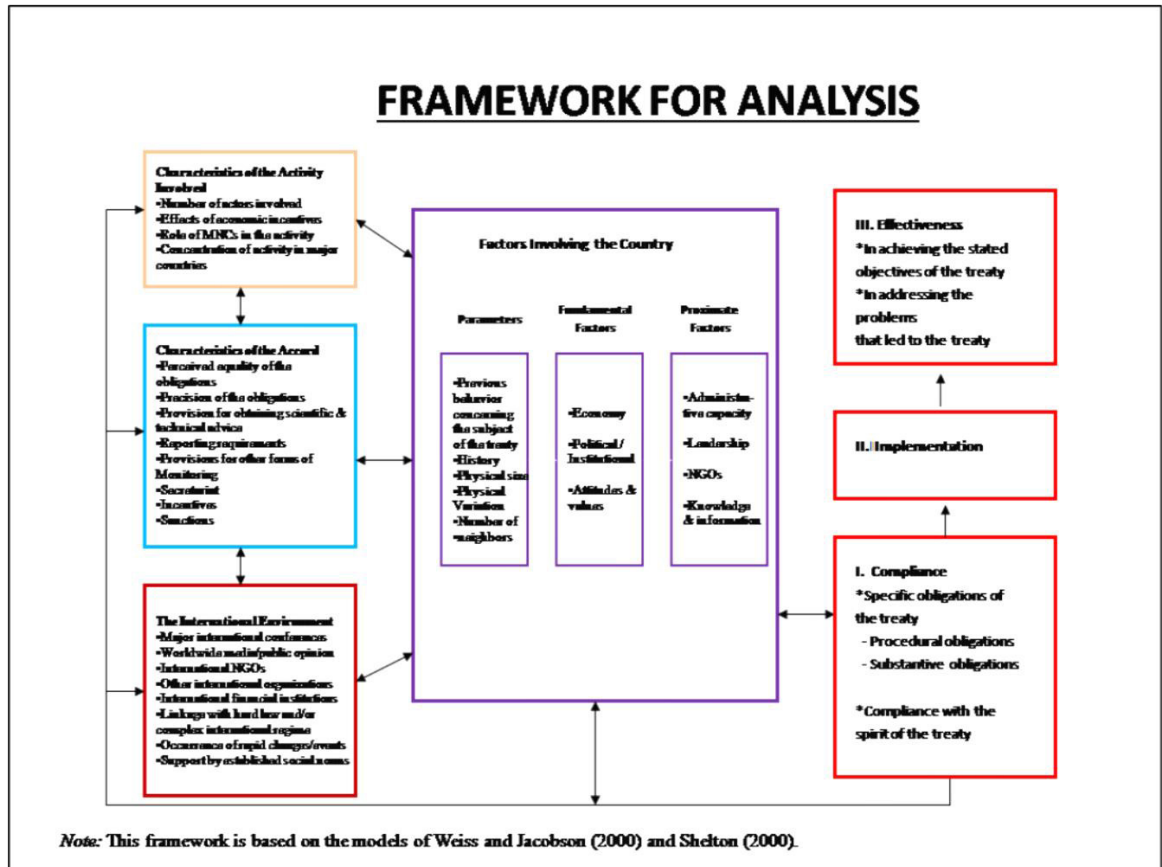
1. characteristics of the activities involved;
2. characteristics of the accord;
3. international environment; and
4. factors involving the country

The specific hypotheses from the Weiss and Jacobson study (2000) which are going to be tested include the following four groups:

Characteristics of the Activities Involved: An accord can be effectively implemented if

- there are smaller number of actors involved;
- there is a positive implementation cost-benefit ratio;
- large multinational corporations (TNCs) are monitored; and
- a regional hegemon provides good implementation examples to others.

Figure 1
Framework for Analysis



Characteristics of the Accord: An accord leads to effective implementation if

- it adopts the differentiated obligations principle;
- it has precise objectives and obligations;
- it utilizes scientific and technical advice from the epistemic community;
- it requires party-signatories to submit reports to the secretariat;
- it provides other forms of monitoring member-signatories' compliance;
- it provides for an effective and efficient secretariat; and
- there are incentive and sanction provisions.

International Environment: A conducive international environment for effective implementation is one where

- international conferences are held to discuss issues and problems;
- international media and informed public opinion and NGOs pressure governments to deal with environmental issues; and
- major international organizations and international financial institutions are able to provide moral persuasion and financial/technical assistance.

Factors involving the Country: Factors inherent to the country lead to effective implementation if:

- the countries' history and culture are pro-environment/eco-centric;
- the countries are democratic and rich;
- there is high local administrative and technical capability;
- there is active participation from local NGOs; and
- there are pro-environment political leaders.

From the Shelton study (2000), the following hypotheses are tested. A soft law can be effectively implemented if:

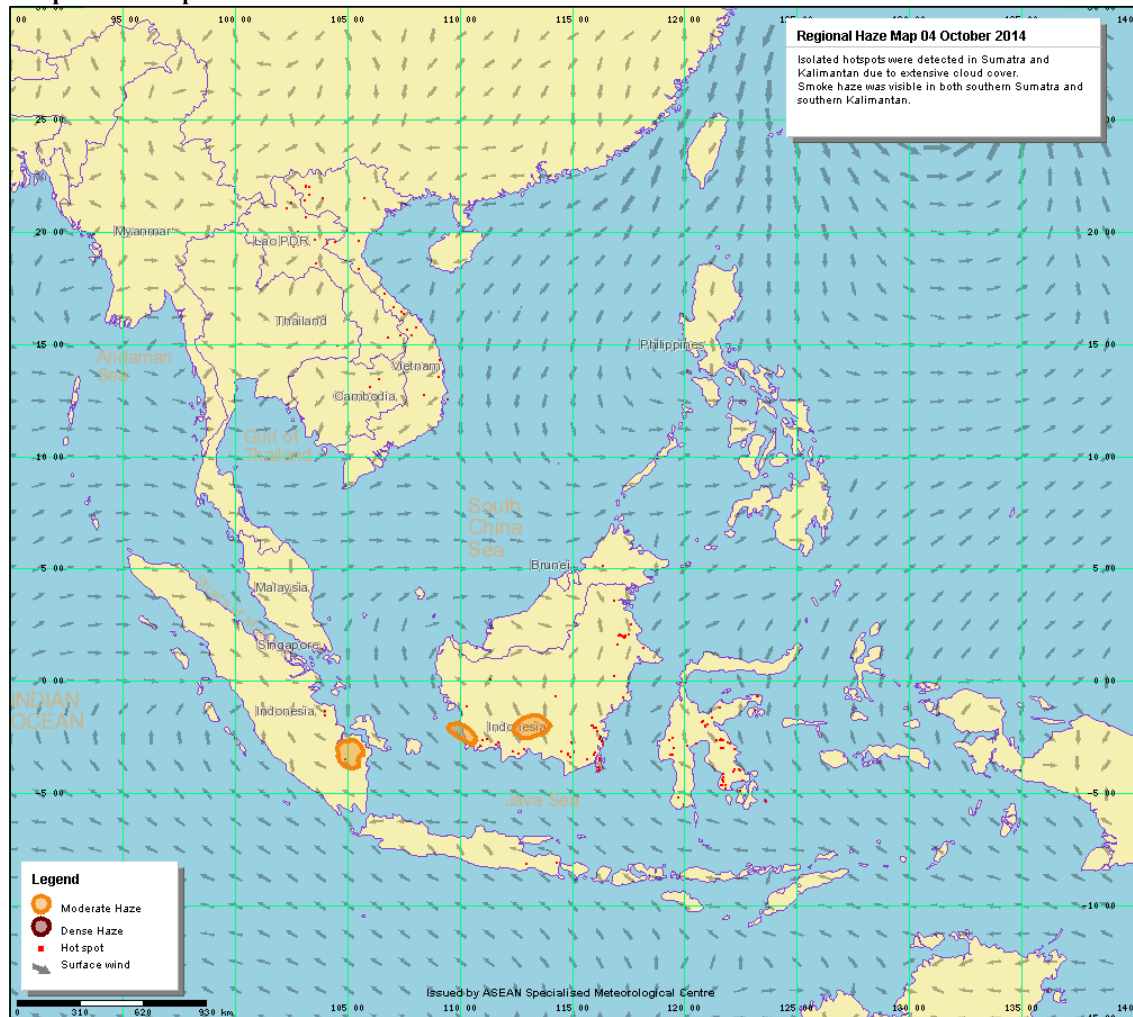
- it is linked to a hard law and/or placed within the context of a complex international regime;
- it has been brought about by the occurrence of rapid events and quick changes in the “landscape”; and
- it is supported by established social norms.

Findings and Analyses: Learning from the Past, Looking Ahead in the Future

Assessments of the Effectiveness of ASEAN's Anti-THP Measures

Using the “problem-solving approach,” this paper utilizes hotspots or hotspot counts as indicator of occurrence(s) of forest/plantation fires as reflected in a haze map (see sample map at **Picture 1**). These are sourced from the ASEAN Specialized Meteorological (ASMC) based in the Meteorological Service of Singapore.

Picture 1
Sample Haze Map



Source: ASMC (2014, 04 October).

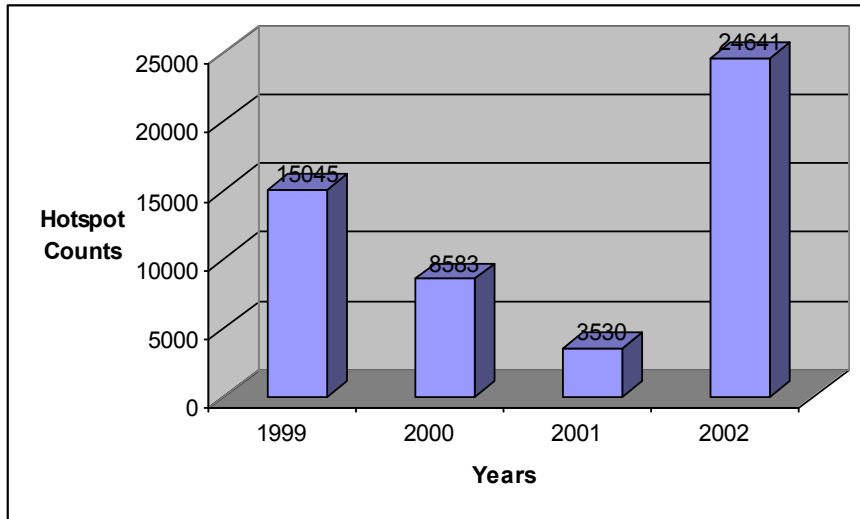
1. The RHAP Years: 1999-2002

A look at **Figures 2 and 3** shows that there were reductions in the total number of hotspots³ from 2000 to 2001 compared with those in 1999. However, there was almost 700% sudden increase in the number of hotspots in 2002, from 2001's 3,530 hotspots to 2002's 24,641 hotspots. Furthermore, the 2002 counts are also almost 164% higher than those in 1999. Hence, with those observations, **the author believes that the RHAP was not convincingly effective in preventing fires and haze in the SEA region from 1999 to 2002.** There have been substantial reductions from 1999 to 2001, hence, one could easily pass the verdict that the RHAP is an effective deterrent against fires and haze. However, the sudden increase in the number of hotspots in 2002 is a total surprise. A review of the ASMC reports and weather forecasts in the year 2002 reveal nothing unusual aside.⁴ There were no reports about satellite error or malfunctions. Hence, the best strategy to explain this unconvincing effectiveness of the RHAP is to probe the compliance of and its implementation by two haze producing countries, i.e., Indonesia and Malaysia, and two victim countries, i.e., Singapore and the Philippines (read Part II.B).

³ Hotspots are detected by the ASMC through its satellite. It depicts occurrence of fire. However, not all can be detected correctly due to atmospheric conditions like dense cloud covers.

⁴ Based on the review of 15 ASMC reports submitted to ASEAN-CSU in 2003.

Figure 2
Total Number of Hotspot Counts in Indonesia and Malaysia
from 1999 to 2002

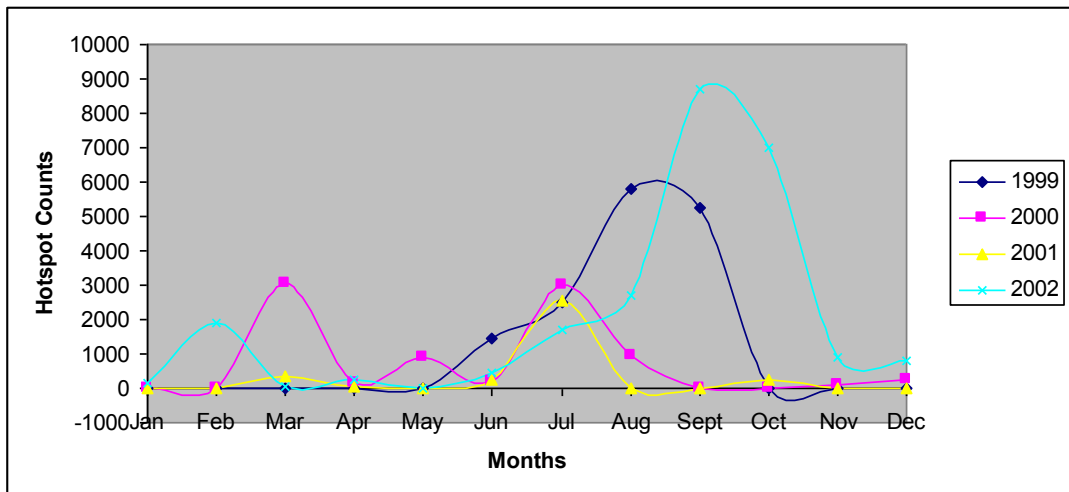


Notes: (1) Months without data may indicate that either there were no hotspots detected or the ASMC did not conduct satellite observation. (2) Data for Sumatra include hotspot counts for Malaysia, too. The ASMC combined the hotspot counts for Sumatra and Malaysia in their bar graphs, hence, there is no way to disaggregate them.

Sources of Data: ASMC. (1999-2002).

If we look at the trend by months, **Figure 3** reveals that there were sudden hotspots in 2002 increases from September to December vis-a-vis the same months in 1999, 2000, and 2001.

Figure 3
Total Number of Hotspot Counts in Indonesia and Malaysia
by Months from 1999 to 2002



Notes: Months without data may indicate that either there were no hotspots detected or the ASMC did not conduct satellite observation.

Sources of Data: ASMC. (1999-2002).

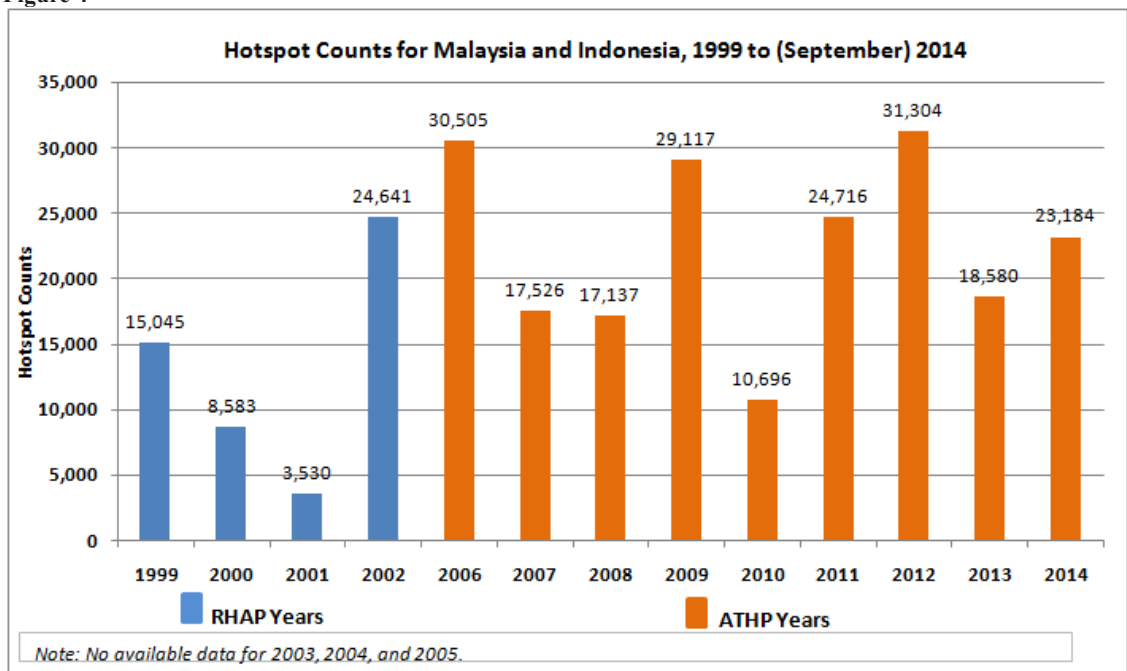
However, there are limitation to this finding, i.e., the period of analysis consists only of four years. The year 1998 was not included in the graphs because of very limited data.

The ATHP Years: 2006-2014

Eleven years after the ATHP took effect, have there been substantial reductions in hotspot counts? To answer this question, the author, once again, gathered hotspot counts from ASMC. Unfortunately, data from 2006 to September 2014 only were available as of this writing. Hence, there is a three-year gap between 2003 and 2005.

Figure 4 shows that even with the implementation of the ATHP, forest/plantation fires in Indonesia (Kalimantan and Sumatra) and Malaysia (Peninsular, Sarawak, and Sabah) are still unabated. During the RHAP Years (1999-2002), the hotspot counts averaged at around 13,000 a year. From 2006-(September) 2014, the average rose to around 23,000 a year. However, there is no clear pattern of increasing or decreasing number of hotspot counts. The only thing sure is that haze pollution still occurs.

Figure 4

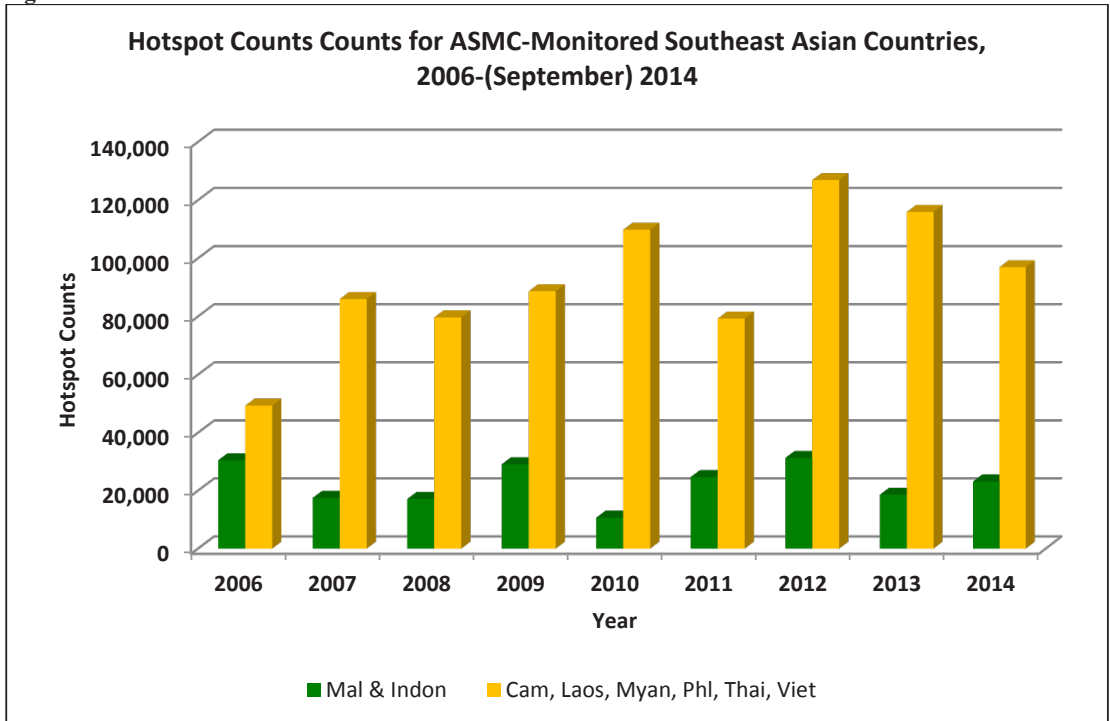


Note: Data for Indonesia include those for Sumatra and Kalimantan. For Malaysia, these include those from Peninsular Malaysia, Sarawak, and Sabah.

Sources of Data: Sources of Data: ASMC. (1999-2002), and ASMC. (2006-2014).

It should be noted, however, that forest/forest fires is not just detected in Indonesia and Malaysia. The ASMC, since 2003, has recorded hotspots in Cambodia, Laos PDR, Myanmar, the Philippines, Thailand, and Viet Nam. If their combined hotspot counts from 2006 to (September) 2014 are compared to those of Indonesia and Malaysia, theirs are up to ten times many than the latter (see **Figure 5**). From 2006 to (September) 2014, the average number of hotspot counts in Indonesia and Malaysia is around 23,000, while those in the six other countries, the average is around 92,000.

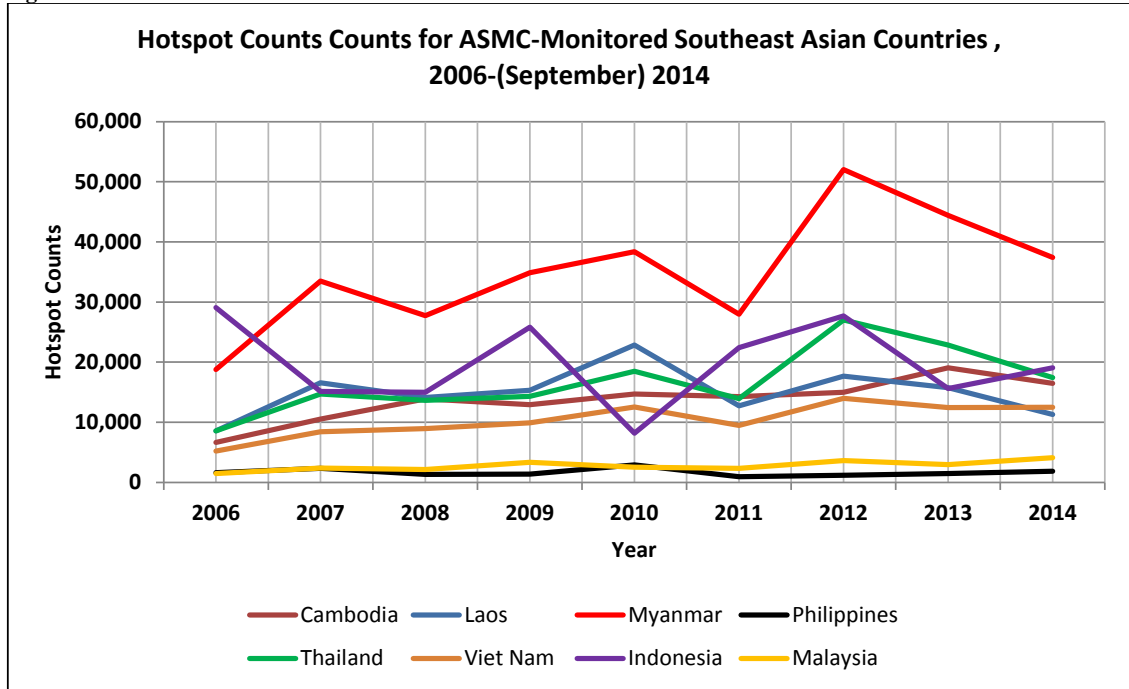
Figure 5



Sources of Data: ASMC. (2006-2014).

Among the new six countries being monitored by the ASMC through its satellites, which have the most number of hotspot counts between 2006-(September) 2014? On top of the heap is Myanmar with an average of 35,000 hotspot counts per year. Below it is a toss-up among Thailand (average of around 16,000 per year), Laos (average of around 15,000 per year), Cambodia (average of around 14,000), and Viet Nam (average of around 10,000 per year). The Philippines is at the bottom with an average of around 2,000 hotspot counts per year. Including Indonesia and Malaysia in the ranking, the countries with the most number of hotspot counts, averaged per year from 2006 to (September) 2014, are: (1) Myanmar, (2) Indonesia, (3) Thailand, (4) Laos, (5) Cambodia, (6) Viet Nam, (7) Malaysia, and (8) the Philippines. Notice that Indonesia is second to Myanmar in terms of the most number of hotspot counts, while Malaysia is now second to the Philippines in terms of the least number of hotspot counts (all averages). Refer to **Figure 6**.

Figure 6



Source of Data: ASMC. (2006-2014).

The foregoing discussions have shown that ASEAN has not yet totally solved the THP problem. Moreover, there are new haze pollution emitters from the region which made the problem worse. With the planned ASEAN integration by 2015, does this bode well for the region? What lessons can be learned from the past that can be used for a more effective regional environmental governance in the future? The succeeding parts attempt to answer this.

Factors that May Affect Compliance with and Effective Implementation of the ATHP: Looking Back at the Experiences and Lessons in Implementing the RHAP

This section answers the second research question of this study, i.e., “What are the factors that may facilitate and hinder their (ASEAN countries’) compliance with the ATHP?”

From the four groups of independent variables (i.e., characteristics of the accord, characteristics of the international environment, characteristics of the activities involved, and factors involving the country), obtained from the Jacobson and Weiss (2000) and Shelton (2000) studies, the author is of the opinion that the ASEAN’s major objectives of preventing fires and haze are strongly impeded by the **forces of global capitalism**, the **profit motive to seize the financial gains from the global demand for more palm oil products**, and these factors are reinforced by the inherent weakness of the “ASEAN Way,” now embedded in the ATHP, in that the “ASEAN Way” is unable to deal with the haze pollution problems (or any problem) head on.

The RHAP (and subsequently, the ATHP) is **no match for global capitalism** which buttresses the economic policies of major fire and haze-producing countries like Indonesia and Malaysia to invest more in palm oil plantations. The International Monetary Fund (IMF) and some European and North American financial institutions, provided the capital and loans to spur further growth in the production of palm oil products in Southeast Asia in the 1990s. Some ASEAN countries like Malaysia and Singapore also financed joint ventures with Indonesian palm oil plantation companies to gain more profit from the lucrative palm oil industry.

Moreover, Malaysia and Indonesia, both top global producers of palm oil products, cannot let the **profits from the global boom in palm oil** pass by. It is forecasted that palm oil product demands are going to rise from the current 22.5 million tons a year to 40 million tons per year by 2020. The revenues from palm oil exports would certainly help its domestic industry be firmly buoyed and help the employment rate be stable during years.

The use and practice of the principles of non-intervention and the non-confrontational approach to problem solving embodied in the “**ASEAN Way**” **serve as hindering factors** towards the effective monitoring, evaluating, and chastising of laggard ATHP signatory-states. Although the ASEAN Way’s principles are not clearly written in the text of the ATHP, it is being practiced in decision- and policy-making of haze-related ASEAN unit meetings. Furthermore, the principles of ASEAN Way have been explicitly included in the provisions of the ATHP. Thus, the ATHP does not contain provisions giving its secretariat the power to monitor states’ compliance; mechanisms for dealing with non-compliance, power to observe or inspect states’ performance, the setting up of explicit performance standards, and instituting liability assessment procedures. Legal provisos, if they had been written in the ATHP, would have strengthened it to deal with laggard and intentionally non-complying signatory-countries. Thus, the ATHP, for its shortcomings, is labeled “**a blind and toothless paper tiger**” (for a lengthy discussion on this, see Florano, 2003).

The other factors which could have aided the ASEAN in the fight against fires and haze were also no match for the powerful influences of global capitalism and the obstructionist principles of ASEAN Way’s diplomacy.

Environmental NGOs and the media, although they have played important roles, especially during the early phase of the 1997-1998 smoke haze episodes, have had **limited influence** in the fight against fires and haze. Environmental NGOs, which are neither fund raisers nor academic think tanks, do not get invited to participate in policy-making at the ASEAN level, and even much less at the national level. The Malaysia government, for one, is suspicious of NGOs foreign connections and sources of funds.

The international media became the mouthpiece of experts and commentators regarding the causes, effects, and solutions to the fire and haze problems. However, their counterparts at the national level, e.g., in Malaysia, have experienced censorship from the national government in order to save the tourism industry from collapsing due to news about the haze gripping the SEA region.

The **financial and technical contributions of the international community**, i.e., UN agencies, bilateral aid institutions, and research think tanks/academics, **useful** as they were in facilitating research about fires and haze, in undertaking capacity-building projects, in upgrading monitoring facilities and equipments, etc., in the final analysis, implementation at the national level (aside from the obstructionist global capitalism and the ASEAN Way) is the key factor that determines the success of anti-fire and haze policies, laws, regulations, activities, etc. The four country case studies below prove this argument.

In general, **Table 1** below suggests that among the variables of factors affecting countries compliance and implementation of the RHAP, **high environmental awareness of the people including strong political will from national leaders, high national income, and bureaucratic efficiency are important. Democracy and participatory governance are not necessary prerequisites for full/ partial environmental accord compliance and effective implementation.** The succeeding paragraphs provide detailed explanations.

Table 1
Cross-Country Comparison on Factors that Affect Countries’
Compliance with and Implementation of the RHAP

VARIABLE	FULL/PARTIAL COMPLIANCE		LOW/HALF-HEARTED COMPLIANCE	
	SINGAPORE	MALAYSIA	INDONESIA	PHILIPPINES
Environmental awareness	High	Medium	Low	Low
Democracy	Low	Medium	High	High
Economic wealth	High	Medium	Low	Low
Admin. & tech. capability	High	Medium	Low	Low
Participation of NGOs	Medium	Low	High	High
Political will of leaders	High	Medium	Low	Low

Source: Created by the author based on his dissertation.

More specifically, the four case studies have confirmed the hypotheses that countries which are not so successful in enforcing multilateral environmental agreements are those which:

1. are geographically fragmented which makes uniform governance impossible;
2. are historically non-compliant with other related multilateral environmental agreements;
3. have economic development policies that are not anchored in sustainable development;
4. have societies whose perceptions and attitudes towards their environments and natural resources are slanted more towards materialistic anthropocentrism;
5. do not have or lack political leaders and/or political parties with the political will to uphold and implement no non-sense national environmental laws and activities;
6. have inadequate manpower and financial resources to sustain environmental protection/conservation laws and activities; and
7. do not encourage multi-stakeholder participation in policy making and implementation about matters that concern the environment and natural resources.

The four ASEAN countries in this study exhibited weaknesses in varying degree in some or all of the above. Their specific weaknesses are:

- Indonesia – all factors
- Malaysia – all except factors # 3 and 7
- Singapore – factor # 4 only
- Philippines - all factors except # 7

Indonesia’s case is well-researched and documented because it is the number one producer of fires and haze. Hence, the specific factors that affect its effective enforcement of fire and haze-related policies, laws, and regulations are very much identified which are: lack of political will in the government at all levels; unclear and weak policies and regulations; overlapping and conflicting roles and responsibilities of different agencies and institutions; bureaucratic procedures and poorly coordinated activities at all levels; are sectoral approach, mainly focused on suppression instead of prevention; vested interests that marginalize issues relating to fire and haze to favor a particular sector; and inadequate resources to enforce laws and regulations. Thus, with these, it is no wonder that Indonesia was the last one to have ratified the ATHP on 16 September 2014, in response to Singapore’s “Transboundary Haze Pollution Act,” which penalizes companies — both foreign and domestic — that are responsible for causing haze overseas. The law was approved by Singapore’s Parliament in August 2014.

Malaysia, although can be considered as the leader in the fight against fires and haze, has problems with regards to anti-haze measures implementation especially in its states of Sabah and Sarawak and sometimes in Peninsular Malaysia. Malaysia is only in partial compliance because Malaysian palm oil plantation owners are required by law to practice the zero-burning technique in clearing lands and forests. But effective implementation of the ATHP can be hindered by the pursuit of the government to earn more from the global demand for palm oil products. Sustainable development takes a back seat for economic progress in Malaysia.

Singapore is no longer bothered at all with compliance and enforcement because its geographical size and efficient government have enabled it to protect of what is left of its natural resources. Because of this, it is busy providing monitoring services to its neighboring AMC's to save itself from the clutching smoke haze.

Environmental law enforcement in the **Philippines** suffers the same fate of Indonesia. Poverty, graft and corruption in the government, multi-ethnic population scattered in the islands of the archipelago make national environmental governance extremely difficult.

Implications to ASEAN Regional Environmental Governance

In this study, it was confirmed that Jacobson and Weiss' (2000) hypothesis that **“an economically strong country is in a position to play a key role in the formation of environmental accords and in promoting compliance with them”** (Weiss and Jacobson, 2000, p. 537) is true. Although Malaysia is not the country with the most robust economy in the ASEAN, still it had enough resources to help neighboring Indonesia and lead the ASEAN during the RHAP's formative years. Its leadership was not based on military power (correlated with robust economy) but the power of persuasion and leadership by example with assistance from Singapore and Brunei Darussalam.

However, the contention that **“democratic and rich countries could have higher levels of compliance with international environmental accords”** (Weiss and Jacobson, 2000, p. 542) **is challenged here**. It is true that rich countries could have higher level of compliance because they have sufficient resources to use, as in the case of Singapore, but a more democratic country would not necessarily attain the same level. Take the case of the relatively more democratic Indonesia which has not attained satisfactory compliance and effective implementation of its anti-burning-related laws, regulations, and activities. Or even the Philippines, which has complied only half-heartedly.

Turning now to the hypotheses associated with compliance with and effective implementation of **soft laws**, the findings in this study validate some of them, while others need further qualifications.

First, it was found that the physical presence of the **“fear factor”** or **“sense of crisis”**⁵ through the annual occurrences of forest and land fires, and subsequently haze, has helped keep RHAP signatories to be more vigilant and to comply with the Plan's directives with their utmost best. It must also be remembered that the “fear factor” of the 1997-1998 smoke haze episodes helped fan the flames of cooperation among the ASEAN countries against it. Thus, the author is of the opinion that this “fear factor” can be utilized to continuously warn fire and haze-producing countries about their danger and strengthen the anti-haze ASEAN cooperation policies and efforts in the future. This could also be used to “outwit” the obstructionist principles of the “ASEAN Way” towards a more open, frank, and straightforward regional cooperation against THP.

Second, **hypotheses about a soft law's linkage to a hard law and their placement within the context of a complex international regime should not be accepted immediately at their face value**. These hypotheses **need further qualifications** for the following reasons. One, a hard law should complement a soft law's weaknesses because the former is the legal framework with which the latter will fall back on if all “soft” corrective measures are inadequate to deal with laggard and/or non-complying member-countries. Such was the not the case with the hard law ATHP which should

⁵ Interview with the Secretary-General of the ASEAN, H. E. Ong Keng Yong, ASEAN Secretariat, Jakarta, Indonesia, 7 August 2003. The Secretary-General used the term **“sense of crisis”** which was also mentioned by WALHI Executive Director Longgena Ginting in an interview on 11 August 2003.

provide legal support to the RHAP on matters regarding the monitoring, evaluation, reporting, and correcting the compliance performance and levels of the signatory-countries. Two, the relationship between a specific environmental law and a specific international regime should also be complementary, i.e., an international regime should be legally binding to support a non-legally binding environmental accord. Such was the not the case between the relationship of the issue-specific forest protection international regime and the RHAP.

Conclusions and Recommendations

The prognosis for effective environmental governance in the ASEAN region, at least in the case of the THP problem, is not good, and does not bode well for the 2015 integration. The assessments on the effectiveness of the anti-THP measures, i.e., RHAP and the ATHP, reveal that forest/plantation fires remain unabated despite efforts on the part of the ASEAN and its member-countries to douse them through domestic laws and fire-control measures. What is worrying is that, with the aid of satellites, other new haze emitters from other members have been detected. Smoke haze emanating from them, through the years, have been noted to be on the rise.

Despite efforts on the part of the ASEAN and its member-countries to curb the forest/plantation fires, the region is entangled in a complex labyrinth of socio-economic-legal factors that make it hard to put a stop to this problem. Hence, the author believes that the experiences and lessons in the implementation of the RHAP and the ATHP, the following policy recommendations, both at the regional and local levels, would somehow help untangle the web of problems.

Region-Wide Level Recommendations

Amend or draft a protocol for the RHAP and ATHP that would provide its Secretariat the power and functions to inspect, monitor, evaluate, report, assist, and/or chastise laggard, non-complying parties, and violators of the Agreement.

In connection with the recommendation above, the ASEAN Secretariat should **invite the cooperation of the scientific or epistemic communities in formulating policies** to prevent, monitor, and mitigate fires and haze. Not only that they could help in formulating accurate, objective, reliable, and cost-effective information for policy-making, they could also provide countervailing force against obstructionist social norms,⁶ like the “ASEAN Way,” for effective regional environmental cooperation. Once informed of the causes and effects of the smoke haze problem from impartial experts, it would not be hard to convince ASEAN leaders to set aside obstructionist norms and thinking for a more effective regional environmental governance.

Require ASEAN countries to submit annual accomplishment reports to the Secretariat. These reports should be evaluated and commented on by the Secretariat’s oversight committee, reported to the international press, and posted on the Internet to pressure the parties to perform better. **Invite the participation of more stakeholders in the meetings of appropriate haze-related ASEAN units,** especially advocacy and lobbying environmental NGOs, not just those which can provide funds. In addition, the ASEAN should explore the possibility of using **third-party dispute settlement mechanism** to monitor national compliance and implementation efforts of signatory-countries. It is one of the newest approaches to settling international environmental agreement disputes (Kalas, 2001, p.88).

Measures Directed at ASEAN Member-Countries

Based on the findings and analyses above, i.e., compliance does not result in effective implementation for so many reasons, among which are: lack of capacity, inadvertence, lack of domestic concern, etc., the author agrees with Jacobson and Weiss (2000) that compliance should be linked with the countries’ intention and capacity for each international agreement. Thus, countries which are parties

⁶ Kimball (1996) argues that scientific and technical advisory process in environmental management “has the potential to refocus the programs of existing institutions” if there are “accurate, objective, reliable, and cost-effective information and analysis to support decision-making.” See Kimball, 1996, p. 84.

to an international agreement could be classified into four: (1) those with a strong intention to comply and a strong capacity, (2) those with a weak intention but a strong capacity, (3) those with a weak capacity but a strong intention, and (4) those with a weak capacity and a weak intention (Weiss and Jacobson, 2000, p. 548). For each of these situations, there are strategies to enhance a country's compliance and effective implementation, i.e., sunshine methods, coercive measures, and positive incentives, which are written in the order of their importance in each quadrant in **Figure 7**. Primary strategies are listed first, followed by back-up strategies in parentheses. Briefly, these strategies are explained as follows:

Sunshine methods are aimed at bringing the behavior of parties and targeted actors into the open to be scrutinized, e.g., monitoring, reporting, on-site inspections, access to information, and NGO participation (Weiss and Jacobson, 2000, p. 543).

Positive incentives are utilized to induce countries to join and to comply with an international agreement, e.g., special funds for financial or technical assistance, training programs, or access to technology (Weiss and Jacobson, 2000, p. 546).

Coercive measures aim to punish laggard or non-compliant parties in the forms of penalties, sanctions, and withdrawal of membership (Weiss and Jacobson, 2000, p. 547).

Figure 7
Strategies to Strengthen ASEAN Member-Countries'
Compliance with the ATHP

		<u>Capacity</u>	
		<i>Weak</i>	<i>Strong</i>
<u>Intention</u>	<i>Strong</i>	<i>I Quadrant</i> Malaysia Singapore Sunshine (Sanctions)	<i>II Quadrant</i> Indonesia Incentives (Sunshine)
	<i>Weak</i>	<i>III Quadrant</i> Sanctions Sunshine (Incentives)	<i>IV Quadrant</i> Philippines Incentives Sanctions Sunshine

Source: Created by the author based on Tables 15.3 and 15.5 in Weiss and Jacobson, (1998, pp.539-550).

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FLEGT Implementation- the possibility for Thailand

(21)

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Abstract

Forest Law Enforcement, Governance and Trade (FLEGT) is an initiative issued in 2003 by the EU to help curb the international trade of illegally logged timber. In 2013, Thailand expressed an interest in becoming a party to the initiative. However, there are several barriers to FLEGT implementation in Thailand, particularly in relation to benefits that might accrue to forest communities. This paper discusses the importance of FLEGT and problems with its implementation. This paper argues that having laws defining restricted timber is a significant obstacle to good forest governance and this is a disincentive community who produce timbers from entering into the timber market. This significantly affects their livelihoods and also discourages them from investing in forest plantations, which is a key element of FLEGT. The paper discusses how the restricted timber law constrains FLEGT implementation in Thailand and suggests potential solution to this problem.

Keywords: FLEGT/ Restricted Timber/ Thailand Forestry/ NRM Governance/ Sustainable Timber

Introduction

Forest Law Enforcement, Governance and Trade (FLEGT) is an initiative issued in 2003 by the EU to help curb the international trade of illegally logged timber (The European Forest Institute, 2007 and The European Union Delegation to Indonesia and Brunei Darussalam, 2011). In 2013, Thailand expressed an interest in becoming a party to the initiative (RECOFTC, 2014). However, there are several barriers to FLEGT implementation in Thailand, particularly in relation to benefits that might accrue to forest communities. This paper discusses the importance of FLEGT and problems with its implementation, particularly in Thailand. The paper concludes with a set of recommendations that would amend current governance structures in Thailand which are impeding the operation of FLEGT.

FLEGT

The international trade in illegally logged timber has a significant impact on the world's forests, and on people whose livelihoods rely on forests (Hobley and Buchy, 2013, p.2). As one of the largest consumers of timber products in the world, the EU has a significant impact on the nature of the timber trade. Continued imports by EU countries/companies of illegally logged timber supports a market for illegal loggers to exploit and undermines efforts by timber-producing countries to enforce laws aimed to foster sustainable forestry practices. A study by INTERPOL reports that up to 30 per cent of annual timber production, and 50–90 percent of timber harvested in tropical countries is illegally logged. This amounts to an annual US\$30–100 billion global trade in illegal timber and an annual illegal harvest of 100 million cubic metres of timber annually (Nellemann, C., and INTERPOL Environmental Crime Programme, 2012, p.6).

The 2003 adoption of FLEGT by the 27 member states of the EU adopted FLEGT aims to ensure that illegally harvested timber is not unwittingly imported into EU countries. A first step in implementing FLEGT, was the introduction of the FLEGT Action Plan in 2003. The Plan comprises two elements: the EU Timber Regulation and the FLEGT Voluntary Partnership Agreements (VPAs) (Nellemann, C., and INTERPOL Environmental Crime Programme, 2012, p.62 and Bollen and Ozinga, 2013, p.43). In March 2013, the second step for implementation of FLEGT, the EU Timber Regulation came into effect (The European Forest Institute, 2013)

The VPAs are bilateral binding agreements between the EU and timber-exporting countries. They set out the commitment and action that the EU and the timber-exporting countries will take to stop illegal logging. The VPAs promote improvements in governance systems in the forest sector of timber exporting countries. VPAs also set up control systems to ensure that only legally harvested timber is exported to the EU market. A VPA comprises three main elements: legality definition, developing Timber Legality Assurance System (TLAS), and Independent audits (Bollen and Ozinga, 2013, p.5 and 14).

There are three steps to setting up a VPA: pre-negotiation, pre-negotiation, VPA negotiation and initialling. The pre-negotiation starts when a timber-producing country expresses interest in adopting a VPA. At this stage, both the EU and the producing country review the advantages and constraints of engaging in such a process. The VPA negotiation enables the party country to discuss and reach an agreement on key elements of the VPA, that is, the TLAS and the legality definition. Finally, the initialling stage signifies the end of negotiations and the ratification of the VPA (Hobley and Buchy, 2013, p.2 and 3 and European Forest Institute, 2007).

On 18 February 2013, the Thai Government expressed an interest in entering into VPA negotiations with the EU. On the 22 April 2013, the EU acknowledged the interest. From 13 to 15 November in the same year, the first meeting between Thailand and the EU was conducted. This meeting set up an ad hoc committee to develop the legality definition for harvested timber under FLEGT in Thailand to ensure that the definition of legally harvested timber addresses social, environmental and economic issues (RECOFTC, 2014, p. 1).

While the primary aim of FLEGT is to curb trade in illegal logging, it also seeks to promote sustainability through good forest governance and the participation, on an equitable basis, of forest communities and indigenous people in the timber market. The legality definition is the mechanism for achieving such ambitious goal, requiring the establishment of effective legal and institutional forest arrangements to encourage wide participation in legally produced timber, particularly from forest communities (RECOFTC, 2014, p. 1).

Challenges for FLEGT implementation in Thailand

There are two main challenges to the implementation of FLEGT in ways that would benefit forest communities: restrictive laws and complexity of laws. Both these challenges can be overcome by reviewing elements of current forest governance systems. This section of the paper discusses the nature of the challenges and how they have been identified and addressed in other developing countries.

Restrictive laws

The *Forest Act B.E. 2484* section 7 and the *Announcement of the National Council for Peace and Order No. 106/2014* (“*The amendment of forest laws*”) both restrict the type of timber that can be harvested in Thailand. Section 7 of the *Forest Act* states that “teak and dipterocarps growing wherever throughout the country are defined as restricted tree group Kor and other types of trees are restricted timber in accordance with the decree that would be probably passed”.

Apart from “teak” as defined by the *Forest Act*, the *Announcement of the National Council for Peace and Order No. 106/2014* adds more types of trees as the “restricted timbers”. It defines “restricted timbers” as “teak, dipterocarps and other types of trees belonging to the Dipterocarpaceous species growing wherever throughout the country are defined as the restricted tree group Kor and other types of trees are restricted trees in accordance with the decree”.

While these two laws are an important attempt to conserve forests, they impact on the livelihoods of forest communities, indigenous people, and small and medium private timber enterprises. The term “restricted timbers growing wherever throughout the country” contained in the two laws requires that Thai timber producers must obtain permission before they are able to fell, move and sell trees species within the restricted category. The restricted tree species have considerable economic value and are normally planted by forest communities and private enterprises. The laws, however, apply regardless of land tenure or genesis of the tree (i.e. planted or wild grown). Failure to obtain permission means that the felled timber cannot be legally sold into the EU market under the FLEGT scheme.

The problem for many landholders is that the process of obtaining permission is complex and costly, and many forestry communities cannot negotiate the complexity or manage the costs. This discourages such timber producers from complying with laws and investing in forest plantations under FLEGT and inhibits their possible benefits from participating in the timber industry. A study by the FAO found that categorizing timbers as “restricted” not only discourages people from investing in forest plantations, but also causes operators to feel insecure and to fell the trees before they reach maturity (Enters, Durst, Brown, Carle, and McKenzie, 2004).

The FAO report revealed that China reformed forest tenure regulations with the expectation of equally distributing forest resources among stakeholders. However, due to the existing restrictions on harvesting and marketing, the reforms could lead to deforestation and forest conversion, as well as reducing the incentives for plantation development by inhibiting the private sector from investing in forest plantations (Xu, Li, and Cao, 2004).

In India, legislation restricting tree felling on private land also discouraged private sector involvement in plantation development. Indian legislation concerning the harvest, transport and marketing of trees grown on private land varies among the states. Several states have enacted tree preservation/protection Acts to restrict felling of trees even on private lands. Transport of timber in most states is governed by transit passes, which stipulate that specific permission is required from the local forest officer to transport wood. For example, in Gujarat, felling and transportation of timbers from private lands is governed by the *Saurashtra Felling of Trees Act (1951)*. Felling and transporting of 21 restricted tree species is controlled by the revenue department and the forest department respectively. In addition, there are five reserved tree species (*Tectonagrandis*, *Madhucalatifolia*, *Acacia catechu*, *Dalbergialatifolia* and *Santalum album*) that can only be felled, transported and marketed by the Forest Department (FAO, 2004). In Punjab and Haryana, there are no restrictions on felling and transporting trees except in the narrow belt of the Shiwalik Hills where trees are required for conserving soil and water. In this case, the felling of trees is regulated under the *Punjab Land Preservation Act (1900)*. Himachal Pradesh promulgated the *Land Preservation Act (1968)* to control commercial felling of trees on private lands over a ten-year felling cycle. It has also introduced trading controls of common species found in the state forests. This effectively regulates the felling of conifers (cedar, fir, spruce and pines) and important broad-leaved species (walnut and *Dalbergia* spp.) on private lands (Pande and Pandey, 2004).

Rules and regulations have been gradually simplified to encourage tree planting on private land. The Tree Preservation Act (1976) of Uttar Pradesh that imposed restrictions on felling of trees on private lands without permission was revised in 1991, and 19 tree species were exempted. Farmers are now free to fell such tree species on their lands in the districts where forest cover is less than one percent. Similar changes are being contemplated in other states (Pande and Pandey, 2004).

Complexity and inconsistency of laws

Section 4 of the Thailand *Commercial Forest Plantation Act (1992)*, increases incentives, especially for the private sector, to invest in plantation forests by increasing in the availability of land for plantation forests and providing opportunities for a greater range of investors to participate – including owners of cleared land who might otherwise be unable to invest in forest plantations. Section 4 also enables lumberyards to be conveniently established where timber is being harvested, and exempt those who sell plantation timber from royalties and fees. However, the process of obtaining a licence for establishing a commercial forest is complex and expensive. As a result, timber producers are actually discouraged from investing in plantations (Phromlah, 2012 and RECOFTC, 2014).

Inconsistencies in the provisions of the *Forest Act* and the *amendment of forest laws*, and the *Civil and Commercial Code of Thailand* also act as a disincentive to the development of sustainable forestry in Thailand. The *Forest Act* and the *Announcement of the National Council for Peace and Order No. 106/2014* define teak, dipterocarps and other types of trees belonging to the Dipterocarpeous species growing throughout country as restricted trees and, therefore under the control of the state. However, the *Civil and Commercial Code* gives landowners, under sections 1336, 144 and 145, ownership over trees growing on their land and, therefore, the right to exploit, fell and clear such trees as they wish.

Proposed reforms

The above discussion highlights that a number of institutional reforms are necessary in Thailand to ensure the successful implementation of FLEGT. Dispensing with the restricted timber category is a key component (or a prerequisite) for achievable FLEGT implementation but streamlining laws and administrative systems, and reforming forest property rights are also necessary.

Recommendation one: Cancel the restricted timbers category for timber growing on private lands

Restrictions on cutting, transporting and selling of privately owned trees should be abolished and only imposed on trees grown in natural forest areas, such as national parks and watershed areas because of the importance of these land types to biophysical and ecological process (RRI, 2012). Thus, section 7 of the *Forest Act* and the provision of *the amendment of forest laws* should be amended to “teak and dipterocarps growing wherever throughout the country except on private land classified as following:

- 1) Land with ownership title or certificate for usufruct right under the Land Code;
- 2) Land with an official certificate which certifies that such land may be registered for ownership title or usufruct rights under the Land Code due to the fact that it is possessed and utilised under the law on land consolidation for agriculture or the law on land allocation for livelihood;
- 3) Land within land reform area under the law on land reform for agriculture.

The provision of both section 7 of the *Forest Act* and the *Announcement of the National Council for Peace and Order No. 106/2014* are the same issue, so the wording should be the same. This is to avoid contradiction and confusion of laws.

Cancelling the restricted timbers category should be simultaneously carried out with land reform. Even though people who own land can operate plantations and fell trees independently based upon the right of ownership, the proportion between public forest and private land should be balanced. The process of allocation of land to private ownership should be restricted otherwise people may clear natural forest to establish private ownership, leading to significant deforestation.

Recommendation Two: Reduce bureaucracy

Cancelling the restricted timbers category should go hand-in-hand with reforms of bureaucratic procedures and costs for timber harvest. Reforms should take into account the complexity of licensing, taxation, and transportation of logs. Cumbersome bureaucratic procedures of licensing and the high taxation on trading timbers can significantly discourage people from investing in FLEGT implementation.

Recommendation Three: Simplify laws

Laws and procedures relating to cutting, transporting and selling of privately owned trees should be simplified. This can be done by: setting minimum and simplified standards for forest management in legislation, such as having rules about what cannot be done rather than lengthy prescriptions about what must be done; minimising discretionary power by, for example, avoiding bureaucratic requirements that are difficult to monitor and using concise but simple language when drafting laws and having them available in the local language so that they are readily understandable to all.

Recommendation Four: Reducing the number of complex and conflicting laws

Complexity and inconsistency of forest-related laws can confuse staff at the regional and local government levels, making it more difficult (complex) for them to carry out their role because they need to decide which law applies. Some laws are also inherently complex. These complexities can lead to unintended increases in transaction costs (Martin and Verbeek, 2006) and, therefore, affect the efficiency of implementation. Complexity can also enable corrupt activities, such as bribery (Laird, McLain, & Wynberg, 2012, p. 331), and inequitable implementation of laws; for example, laws may be strictly enforced on the general community, including indigenous people, but not on wealthy or high status people.

Ideally, the laws established should avoid complexity and inconsistency as these can create implementation costs and discourage people from investing in FLEGT. The specific steps proposed to address these issues are (Phromlah, 2013).

Enhance coordination among relevant authorities. Good coordinating mechanisms will help to identify some underlying issues that cause the current forest governance system to be complex (duplication, inconsistency, poor linkages).

Create a provision within forest-related law for periodic review to identify where rules are contradictory. Importantly, forest-related law should be made consistent with the provisions of other similar laws.

Have a coherent forest-related policy as the guiding framework for all associated agencies. The policy may be developed by stakeholders from related areas of land management and should include representatives from government, plantation investor and from the indigenous people. Minimise discretionary power by, for example, avoiding bureaucratic requirements that are difficult to monitor.

Conclusion

This paper discussed the Challenges of FLEG T implementation in Thailand. The country has made an effort to enter into FLEG T implementation. including, those posed by laws relating to “restricted timbers”, and complexity and inconsistency of the laws. This paper proposes reforms that will meet these challenges and help the successful implementation of FLEG T in Thailand. The recommendations are to cancel the “restricted timbers growing on private lands” law, simplifying laws, and reducing the number of complex and conflicting laws.

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Migration in ASEAN

Philippine Response to Curb Human Trafficking of Migrant Workers

(22)

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Abstract

This paper delves into the issues, challenges and concerns of human trafficking of migrant workers in the country and at the same time evaluates the policy mechanisms of the Philippines in responding to human trafficking in migrant workers.

The era of globalization has tremendously increased the growth of international labor migration which gives rise to the deployment of more migrant workers to developed countries that has placed humankind, especially the migrant workers under serious threats to human trafficking resulting to violation of human rights.

The Philippines, located in the Southeast Asia, with Manila as its capital has an estimated total population of 94 million (2010). With its strategic location and considering its socio-economic conditions in terms of providing jobs to its people, the Philippines has been cited in some publications, as the source, transit and destination country for men, women and children trafficked for labor migration and worst for sexual exploitation.

Keywords: Human Trafficking/ Migration/ Smuggling/ Philippines

Introduction

The era of globalization has tremendously increased the growth of international labor migration which gives rise to the deployment of more migrant workers to developed countries that has placed humankind, especially the migrant workers under serious threats to human trafficking resulting to violation of human rights.

The Philippines, located in the Southeast Asia, with Manila as its capital has an estimated total population of 94 million (2010). With its strategic location and considering its socio-economic conditions in terms of providing jobs to its people, the Philippines has been cited in some publications, as the source, transit and destination country for men, women and children trafficked for labor migration and worst for sexual exploitation.

Labor migration as defined by the International Organization for Migration (2000) is a cross-border movement for the purpose of employment in a foreign country, which may be used restrictively to cover only movement for the purpose of employment. Relatively, migrant workers under the Philippine law is defined as a person who is to be engaged, is engaged or has been engaged in a remunerated activity in a state of which he or she is not a legal resident, which can be used interchangeably with overseas Filipino worker (Migrant Workers and Overseas Filipinos Act of 1995, Republic Act Number 8042).

With the impact of globalization, labor migration has become an attractive option for both skilled and unskilled Filipino workers to embrace the opportunity to work abroad in order to complement their economic status in the Philippines, which is an “ultimate way out of poverty regardless of risks and problems it entail”¹.

Statistics show that in 2013, the number of unemployed population worldwide is over 197 million (Global Employment Trends 2013). In the Philippines, the current unemployment rate accounts to 7.1 percent as of January 2013, which is not significantly far different from the January 2012 rate of 7.2 percent. Across regions, the National Capital Region (NCR) posted the highest unemployment rate of 9.5 percent and 3.3 percent in Cagayan as the lowest (Philippine Statistics Authority 2013).

¹*A Synthesis of Project-Handled Trafficked Cases, Combating Trafficking of Women and Children in the Philippines (Anti-Trafficking Project) trafficking.org.ph/papers/documents/synthesis.pdf*

**Table 1. Employment Rate in the Philippines
As of January 2013**

Philippines	January 2013 ^{1/}	January 2012
Population 15 years and over (in '000)/2	63,682	62,683
Labor Force Participation Rate (%)	64.1	64.2
Employment Rate (%)	92.9	92.8
Unemployment Rate (%)	7.1	7.2
Underemployment Rate (%)	20.9	18.8

^{1/} Estimates for January 2013 are preliminary and may change.

^{2/} Population 15 years and over is an estimate taken from the 2000 Census-based population projections.

Source: Philippine Statistical Authority, 2013

Unemployment in sending country, like the Philippines, is just one of the chief causes of labor migration which impels not only Filipinos but also other nationalities to work in developed countries and engage themselves in demeaning, dirty, dangerous and difficult jobs.

It is in this context that migrant workers whether documented or undocumented are faced by problems such as gross exploitation and intolerance in different forms, particularly human trafficking. Human trafficking in many studies is categorized, as an international concern and the third most profitable criminal activity next to drugs and arm trafficking.

Contextualizing Human Trafficking in the Philippines

Trafficking in Persons as defined under the Expanded Anti-Trafficking in Persons Act of 2012 (Republic Act Number 10364) refers to the recruitment, obtaining, hiring, providing, offering, transportation, transfer, maintaining, harboring, or receipt of persons with or without the victim's consent or knowledge. These activities can be done within or across national borders by means of threat, or use of force, or other forms of coercion, abduction, fraud, deception, abuse of power or of position, taking advantage of the vulnerability of the person, or, the giving or receiving of payments or benefits to achieve the consent of a person having control over another person. Such acts may be in the form of exploitation, prostitution, other forms of sexual exploitation, forced labor or services, slavery, servitude or the removal or sale of organs. Furthermore, the law provides that such recruitment, transportation, transfer, harboring, adoption or receipt of a child for the purpose of exploitation or when the adoption is induced by any form of consideration for exploitative purposes shall also be considered as 'trafficking in persons' even if it does not involve any of the elements mentioned in the definition.

The enactment of the law is a milestone legislation in consonance with the State policy that values every human person's dignity and at the same time guarantees full respect of individual's rights. The mechanisms in curbing human trafficking in the country is as well in place by virtue of RA 10364 wherein development programs are given highest priority especially those that protect Filipinos from any threat of violence and exploitation, elimination of trafficking in persons, and mitigation of pressures for involuntary migration and servitude of persons. These programs support trafficked person's recovery, rehabilitation and reintegration in the mainstream of the society.

The Philippines as the source country posted about one million Filipino men and women who migrate abroad each year for work opportunities while those who are working and living abroad accounts to almost ten million (Human Trafficking.Org 2013). The UN Project Coalitions against Trafficking in the Philippines describes the Philippine government as mostly concerned with the welfare of women who have been trafficked to Japan and exploited in the sex industry based on the Final Report Anti-Human Trafficking Unit Global Programme against Trafficking in Human Beings (United Nations Vienna 2003). This means that these are indications that Filipinas fell under the restraint of Japanese organized crime (Heazle, 1993 cited in the Anti-Human Trafficking Unit - Global Programme against Trafficking in Human Beings). The report also reveals that a large number of Filipino women are victims of traffickers in Korea. However, as reported by the Philippines Center for

Transnational Crime (PCTC), Japan is no longer a favorite destination for Filipina “entertainers” and only half of the 150,000 entertainers remain in Japan (Anti-Human Trafficking Unit - Global Programme against Trafficking in Human Beings). Most of these trafficked victims are forced into commercial sex trade. Meanwhile, the largest number of the people trafficked in the U.S. come from East Asia and the Pacific, which accounts to around 5,000 to 7,000 victims. This is followed by Latin America and Europe and Eurasia with between 3,500 and 5,500 victims, respectively.²

With the concealed characteristics of human trafficking activities, the gathering of statistical data is indeed challenging. As cited by the Philippines Center for Transnational Crime, there are various ways employed in trafficking of persons. These may include inter-marriages, illegal entry, use of fraudulent documents, illegal recruitment and placement and other modes (see Table 2).

These schemes of human trafficking reflect the many facets of committing the crime in the pretext of legal and normal ways of facilitating the commission. Human trafficking as a transnational crime is one of the “most repulsive and rapidly growing activities of organized criminal groups, which can be described as pernicious, preying as it does on the most vulnerable women, children, the poor and least educated.”³ It can be said that human trafficking is a consequence of social factors that confront the national, regional and international communities. These social factors include but not limited to poverty, unemployment, poor education, gender inequality, human crises and proliferation of illegal recruiters which breed gross exploitation and abuses of human rights.

Table 2. Schemes or Modes in Trafficking in Persons*

Category	Description
Inter-Marriage Serial/Multiple Sponsorship	Facilitated by sponsoring Filipino applicants to get a visa by a foreign national for a fix marriage and introduce to illegal employment. After assisting the legitimization of the status of Filipino abroad, the foreigner goes back to the target country and repeats the same scheme.
Trafficking by Introduction by Marriage Bureaus, Deception, Marriage for a Fee, Migration through Marriages	Perfected by matchmaking through personal introduction, wedding and travel arrangements. Selection of the bride is chosen from a queue of women at selected five-star hotels. If ever marriage were not concluded, other prospective brides/women are presented as ready substitute.
Internet	With the advent modern technology, the internet is also used in the matchmaking scheme by advertising the names of women seeking marriage along with their picture and personal profile.
Religion	In human trafficking, religion is not an excuse. Enticing young women to join religious movement is more intense wherein marriage arrangement is made. An example is the Korean Moonies. In 1996, nine hundred eighty-four Filipino women were married in a Korean sect ceremony, after being matched by a computer. A \$2,000 fee is collected from the groom. Documented cases include women eventually sold into prostitution upon arrival in Korea.

² *National Crime Victims' Rights Week, April 10-16, 2005, citing U.S. Department of State. 2004. Trafficking in Persons Report. Washington D.C.: U.S. Department of State; U.S. Department of State. 2004. Report to Congress from Attorney General John Ashcroft on U.S. Government Efforts to Combat Trafficking in Persons in Fiscal Year 2003. Washington D.C.: U.S. Department of Justice <http://www.ojp.usdoj.gov/ovc/ncvrrw/2005/pg51.html>*

³ *Coalitions Against Trafficking in Human Beings in the Philippines, Final Report Anti-Human Trafficking Unit Global Programme against Trafficking in Human Beings, United Nations Vienna 2003, p i*

Illegal Entry/Fraudulent Documents	Illegal entry by means of air and sea transportation through various entry/exit points in the country is a common scheme used by foreigners. Another scheme is through the use of fraudulent documents such as fake passports and visas.
Illegal Recruitment and Placement	Usually done by non-licensees or non-holders of authority by the following means as provided for under the Revised Penal Code: a. Estafa by falsely pretending to possess power, influence, qualification, property, credit, agency, business or imaginary transactions or by means of other similar deceits. b. Falsification of public official documents c. Complex crime of estafa through falsification of public official documents d. Direct bribery
Other Modes	a. Adoption Method b. Family Tours c. Religious pilgrimages d. Foreign training or internship e. Cultural exchange/promotion

*Source: Culled from PCTC Paper on Trafficking in Persons, <http://www.pctc.gov.ph/papers/TraffickingInPersons.htm>, Table constructed by the author 2013.

Poverty is one of the many reasons for the increasing number of human trafficking victims. Poverty incidence makes Filipinos vulnerable to working abroad, especially those who have not finished high school or college degree. Instead of pursuing an education these individuals would rather seek greener pasture in other countries of which they are not citizens of. To some migration is a symbol of brighter opportunity especially to highly skilled professionals like doctors, nurses and engineers who often can practice their field of specialization but to some who are not, labor migration is an answer to poverty.

While it is true that migrant workers are prime movers of the country's economy for they bring various benefits to both country of origin and destination, they should also be accorded fair, just and equitable treatment regardless of sex, race and religion. The migrant workers are not mere laborers or economic units symbolizing prosperity, wealth and income but they are human resources who have respective rights and privileges.

The Philippines is a case in point where remittances of OFWs have greatly contributed to the growth of the country's Gross National Product (GNP), foreign exchange rate and banking system. It even boosted local consumption of local goods and services. Latest reports from the Bangko Sentral ng Pilipinas (BSP) showed that OFW remittances reached to "\$16 billion for the first eight months of 2013 with a growth of 6.6 percent from 2012" (<http://www.manilatimes.net/ofw-remittances-up-7-4/45330/>). And because of Filipino migrant workers whom we called "Ang Bagong Bayani" (Our New Heroes), the country's economy has indeed primed-up and it has confirmed to the world that Philippines is the home of the great Filipino workers.

The proliferation of illegal recruiters is another reason for the surging of human trafficking victims in migrant workers. This problem has been confronting the country since 1974 and is until now a thriving business due to the high demand of skilled and semi-skilled workers abroad. Illegal recruitment in this sense is defined as any act of canvassing, enlisting, contracting, transporting, utilizing, hiring, or procuring workers and includes referring, contract services, promising or advertising for employment abroad, whether for profit or not, when undertaken by a non-licensee or non-holder of authority as contemplated under Article 13(f) of Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the Philippines.⁴

⁴ Republic Act Number 8042, *Migrant Workers and Overseas Filipinos Act of 1995*

There is an estimated 7.4 million Overseas Filipino Workers (OFWs) who are deployed in many parts of the world. Out of this figure, there are around 1.62 million who are considered as irregular migrants and majority of them are suspected to be victims of human trafficking. Aside from this accounted OFWs, there are those who are classified as undocumented as they pass through backdoor exits via Mindanao, where transport to neighboring countries like Sabah and Malaysia is easily facilitated, and requires no official documentations.⁵

In 2012, the estimated number of undocumented Filipinos overseas, or those with irregular immigration status, was 1.3 million, slightly higher than the previous year's 1.07 million out of 10.48 million Filipinos. Malaysia is the top destination for irregular OFWs, with 447,000 out of 686,000 Filipinos (Commission on Filipino Overseas 2013).

With the growing number of documented and undocumented migrant workers deployed in more than a hundred countries in the world, government's responsibility and accountability to major stakeholders is enormous. Whether these migrant workers are documented or undocumented, they are vulnerable to various forms of intolerance such as human rights violation, economic and sexual exploitation, racial discrimination and xenophobia, poor working conditions, increased health risks and other forms of abuse, including human trafficking into forced labor and among others.

Based on 2013 Trafficking in Persons Report (US Department of State, <http://www.state.gov/j/tip/rls/tiprpt/2013/index.htm>) the Philippines' rating remain in Tier 2-watchlist stage as it did not show evidence of progress in convicting offenders, particularly those responsible for labor trafficking.

IV. Legal Framework

In response to the stated problems, the Philippine Government has initiated several national policies as mechanisms to protect the human dignity and human rights of its migrant workers while away from the home country, especially against human trafficking.

Such government interventions in the recruitment and placement of migrant workers even began in 1974 when then President Ferdinand E. Marcos issued Presidential Decree 442 of the Labor Code of the Philippines which was through the initiative of the late Blas F. Ople who served as the Minister of Labor.⁶

The Labor Code of the Philippines, being an omnibus law for all workers espouses protection to labor, promotes full employment, ensures equal work opportunities regardless of sex, race or creed and regulates the relations between workers and employer. It also assures the rights of workers to self-organization, collective bargaining, security of tenure, and just and humane conditions of work. By virtue of this provision, the law provided a scheme that considers overseas employment as a program of the government to ensure that workers leaving for overseas jobs are carefully selected with corresponding best possible terms and conditions of employment.

Five years ago, the Philippine government in its pursuit to protect and respect the dignity of every human person and its individual rights, has enacted Republic Act (RA) Number 9208, or the "Anti-Trafficking in Persons Act of 2003", which serves as a legal mechanism to protect every Filipino citizen against such intolerance. It provides legal measures and development programs to promote human dignity and protect the people from any threat of violence and exploitation. The law also aims to eliminate trafficking in persons and mitigate pressures for involuntary migration and servitude of persons not only to support trafficked persons but more importantly, to ensure their recovery, rehabilitation and reintegration into the mainstream of society. The law further provides that the deployment of overseas Filipino workers can be made only in countries where the rights of Filipino migrant workers are protected. Just recently, with the commitment of the Philippine Government to strengthen its legal mechanism against human trafficking, it amended RA 9208 to the Expanded Anti-Trafficking in Persons Act of 2012 (RA 10364). The enactment is in consonance with the State policy that recognizes the equal rights and inherent human dignity of women and men as enshrined in the United Nations Universal Declaration on Human Rights, United Nations Convention on the Rights

⁵ *Combat Trafficking of Women and Children in the Philippines (Anti-Trafficking Report) A Synthesis of Project-handled TIP Cases, September 30, 2009*, <http://trafficking.org.ph/papers/documents/synthesis.pdf>

⁶ *Patricia Sto. Tomas, Protecting Migrant Workers from the Philippines, ILO Asian Regional Programme on Governance of Labor Migration, Working Paper No. 21, March 2009 p.2*

of the Child, United Nations Convention on the Protection of Migrant Workers and their Families, United Nations Convention Against Transnational Organized Crime Including its Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children and all other relevant and universally accepted human rights instruments and other international conventions to which the Philippines is a signatory.

Since it is the highest priority of the Philippine government to combat trafficking in persons, it has institutionalized the implementation of its legal mechanism to protect trafficked persons and provides penalties for its violations. This include the establishment of Inter-Agency Council against Trafficking (IACAT) through RA No. 9208, primarily tasked to coordinate, monitor and oversee the implementation of such law. It is composed of different government, non-government (NGOs) and other international development agencies. The agency (IACAT) has also established an Anti-Trafficking Taskforce at the Ninoy Aquino International Airport (NAIA) to intercept undocumented passengers, assist returning trafficked victims and share information on trafficking. In addition with, the Philippine government has maximized its effort to protect trafficked victims by launching several projects in the country and in abroad such as temporary shelters, temporary residency status, relief from deportation, and access to legal, medical and psychological services.

In 2007, then President Gloria Macapagal-Arroyo issued Executive Order Number 548-A creating the Task Force Against Human Trafficking (TFHT) under the supervision of the Commission on Filipino Overseas (CFO) to monitor, entrap, apprehend, investigate and prosecute persons involved in human trafficking. The TFHT has the mandate to recommend to IACAT policies, programs and services that can enhance government's efforts in addressing the problem. Under this task force, the Philippine Overseas and Employment Agency (POEA) intensifies its anti-illegal recruitment campaign by initiating a reintegration program for overseas workers who had been abused while working abroad. Aside from the enhanced prosecution and law enforcement activities, the protection of trafficked victims is also of paramount concern in which agencies like the Department of Social Welfare and Development (DSWD) continues to provide assistance while the Department of Foreign Affairs (DFA) assists trafficking victims abroad and coordinated their repatriation to the Philippines.

Aside from Anti-Trafficking In Persons Act, the Philippine government also adopted major laws that support full respect for human rights. These legislative measures include the Migrants Workers Act (Republic Act No. 10022), Anti-Enforced or Involuntary Disappearance Act (Republic Act No. 10353), Data Privacy Act of 2012 (Republic Act No. 10173), Human Security Law (Republic Act No. 9372) and Terrorism Financing Prevention and Suppression Act of 2012 (Republic Act No. 10168). The other pillars of the government agency are also working harmoniously to combat human trafficking. The Department of Justice as the lead agency in prosecuting human trafficking offenses has convicted under RA 9208 144 persons for 126 convictions with penalty ranging from 4 years to life imprisonment and the amount of fines from US\$1,681.41 to US\$112,000.00 (Updates on Trafficking in Persons (TIP) Convictions, April 2014). The Philippine law enforcement agencies are also actively taking part in monitoring and combating human trafficking all over the country as well aggressively doing information and education campaign. Aside from these government agencies, civil society organizations are also vigilant in protecting Filipinos against human trafficking.

Along with these laws mentioned above, several policy instruments were issued by the Philippine Government to answer this perennial problem that has been confronting the country. However, until now the proliferation of migrant workers who are victims of human trafficking are surging amidst the present legal mechanism the Republic of the Philippines has. So, now where does the problem lies? When poverty, lack of access to education, unavailability of employment, and other social ills will be summed up together, the tendency of the most vulnerable individuals is to resort to become victims of trafficking.

Conclusions

The remarkable strides that the Philippine Government has been undertaken to curb human trafficking cannot be understated. The number of policy measures, international accords and regional cooperation that the country has are robust enough to mitigate the incidence. However, these mechanisms are not enough to curb the proliferation of this transnational crime. The cooperation of the local community and various stakeholders are foremost important.

One important aspect in curbing trafficking against persons is the collaboration of citizens to bring a community-led cooperation that will lessen the victims of human trafficking. Massive education and information campaign is necessary in alerting all citizens of the cons of being a victim. Given these issues, concerns and challenges confronting the country on human trafficking, it is of paramount concern that the implementation of the existing frameworks including its mechanisms that are incorporated in the law be revisited time and again to know its efficacy and relevance in today's situation.

Having cited as Tier 2 in the 2013 Trafficking in Persons Report (US Department of State, <http://www.state.gov/j/tip/rls/tiprpt/countries/2013/index.htm>), the Philippine Government continues to strengthen its efforts in the areas of prevention, and protection of the rights human trafficking victims and in the prosecution of cases toward a holistic strategy in curbing human trafficking.

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Facilitating a Labour Migration for a Regional Integration: Case of Thailand

(23)

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Abstract

Towards ASEAN community, ASEAN members have been agreed upon in 2007 the ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers as a soft law instrument. In Thailand as a main receiving country, a swinging door policy for labour management has been witnessed to regulate migrant workers especially the irregular one. After the 2007 declaration in Cebu, it is essential that laws and policies have been enacted or changed with regard to the protection and facilitation of migrant workers. This paper aims to examine the laws and policies protecting and facilitating the migrants coming to work in Thailand by using 2007 ASEAN agreement as a time frame. Labour management will be a main framework of the examination together with labour protection. The paper will also tackle the problems in implementing current laws and policies which could make a migrant worker a victim of human rights violation such as trafficking in persons.

Keywords: Labour Migration/ ASEAN/ Thailand

Introduction

Thailand has been ranked top five destinations for intra-ASEAN movement with 3.6 million migrants following with Malaysia (1.5 million) and Singapore (1.2 million). (Hugo, 2014, pp.45-47) Because of trade liberalization, the job opportunities are available not only for Thais but also international irregular migrant workers who are typically unskilled and work in the informal sector. (Pholphirul&Rukumnuaykit, 2009, p.196) The migrant workers in Thailand have been mentioned for generating high economic benefit but also social costs for the Thai economy. (Pholphirul, P., &Rukumnuaykit, R., 2009, p.196)

At the regional level, to achieve free flow of people in this sub-region ASEAN, the Declaration on the Protection and Promotion of the Rights of Migrant Workers has been adopted in 2007 in Cebu, Philippines. The Declaration aims at the regularization of migrant workers through this ASEAN formal cooperation but obviously excludes the undocumented group.¹ On the other hand, the migrant workers who come with a formal passport and a work permit form a small portion in the country. (Sciortino, R. &Punpuing, S., 2009, pp.54-55)

Most of migrant workers in Thailand are from CMLV countries (Cambodia, Myanmar, Lao PDR and Vietnam) and in irregular situation.² Their legal status could be swift between regular and irregular one upon the government's policy. Legalizing migrant workers who enter the country illegal has reflected the state's policy to tackle the influx of migrant workers in this decade.

This paper will investigate laws and policies in Thailand after 2007 Cebu Declaration as the regional committee to promote and protect migrant workers. The study will base on major changes on Thai laws and policies for a regional integration. The questions of this paper are:

- 1) What laws and policies on migrant workers have been changed after 2007 Cebu Declaration?
- 2) Do the changes go along with the facilitation of labour migration towards a regional integration for ASEAN?
- 3) What are key concerns of the government's laws and policies to regulate and facilitate labour migration?

Basically, Thailand has ratified most of UN international human rights instruments but have yet ratified the international convention on the rights of migrant workers and their families. Most of the main ILO conventions have been ratified but not the conventions on the rights to organize and collective bargaining and especially the convention regarding discrimination. Regarding labour management, Thailand has ratified the ILO convention on employment policy and employment service. It could be said that the state generally has the obligations to protect migrant workers despite of the non-citizenship under these human rights and labour standard instruments.

Labour protection and management in Thailand after Cebu Declaration

Registration and Recruitment

Before 2007, Thailand has already agreed with three neighboring countries namely, Lao PDR in 2002, Cambodia and Myanmar in 2003 on the employment of the workers. These agreements underline the recruitment and transfer of migrant workers through a state-to-state channel. The agreements are mainly to establish the proper procedures for the recruitment of migrants by the government's approved authorised agencies. Under this channel, migrant workers are allowed to work not exceed than two years with another two year possibility of extension and after that a three-year break. Practically, the migrant workers through this process are new comers holding an official passport and a work permit before entering the country.

However, the other policy has been used for the migrant workers who have already lived in Thailand in irregular situation; this group is the unskilled workers. Vitit explained this policy and practice as a "swinging door" that sometimes Thai policy and practice are seemed to be a closed door with serious arrest and deportation but sometimes they are seemed to be a half-open door with possibility of temporary stay and work for those entered the country illegally. (Vitit, 2005, p.4) State's policy aims to regularize this group of migrant which forms most number of migrant workers in Thailand. Concerning this policy, the migrant worker entering the country illegally would firstly register with Thai government and then go through a national verification process in order to get a temporary passport or the certificate of identification and a work permit for the period of two years. After two years, they can get a permanent passport from the country of origin under the agreement with Thai government. In the future, there is little chance for the registration to be opened again so that the undocumented migrant workers will be seriously arrested and deported.³

This process of regularization of migrant worker has already existed before the Cebu Declaration in 2007 but the law on the issuance of working license has been amended in 2008. In 2008, law on the working of alien has been amended and added the issuance of working license for two new groups of migrants following the government's policy to regularize the migrant workers in irregular situation: firstly, a migrant worker who holds a temporary passport or the certificate of identification and secondly, a migrant worker who has been recruited through the MOU channel.⁴ Following this process, room has been opened for the private recruitment agencies to do business along the process such as the national verification process and the job-seeker service but lack of the capacity of the government to monitor or control the business's cycle.

Prescription on the type of work allowed for migrant workers

Concerning the type of work for aliens, law provides that any work which an alien cannot do shall be prescribed by "law", which is currently the ministerial regulation in the alien working law 2008 but it used to be the Royal Decree in the previous law 1978.⁵ The law in 2008 also set additional considerations to be concerned with regard to the work that aliens cannot do namely, the national security, Thai nationals' work opportunity and the demand of alien labor necessary for country's development. In other words, the type of work allowed for the aliens is more restricted with the consideration on national security; the list of the restricted work is easier to be announced by the executive law order. In addition, despite the transfer of workers through MOU channel, the type of work is restricted to only the construction and house work. This means that the bilateral agreement with the neighboring countries focus on the facilitation of unskilled workers, while the regional agreement seems to focus only on skilled workers.

In the meantime, the alien working law in 2008 has established harder punishment than the previous law. For instance, working without a working license will be punishable of not more than 5 years imprisonment and fine 2,000 – 100,000 Baht or both. The Fund for Deporting an Alien out of the Kingdom has been newly established by the alien working law 2008; the Fund collects the contribution from all foreign workers who hold a working license in Thailand. It is not until 2013 that this collection has been started.

The Labour Protection Law and Welfare for the migrant workers in Thailand

Labour protection law of Thailand 1998 excludes certain types of work from the general coverage of protection law for instance the work in the restaurant or the drink service open discontinuously in each day, the agriculture work and the sea fearers.⁶ There are also different shields of protection issued by the ministerial regulations and based on each type of work. It is necessary to note that most of the migrant workers from the neighboring countries are in these businesses which are excluded from the main labour protection law. The report of National Human Rights Commission commented that the exclusion of sea fearers from the main labour protection law has undermined the protection of Burmese migrant workers for example, on the right to health of the workers when they work on the fishing boat. (NHRC Thailand Report 2004-2007, pp.91-93)

After the adoption of Cebu Declaration in 2007, some provisions of labour protection law have been amended and provided positive effects in term of protection to the migrant worker such as the provisions of fair employment contract, the equal benefit of sub-contract worker to other worker, the guarantee of minimum wage and the prohibition of child labourer below 15 years of age. Even though labour protection law applies to Thais and migrant worker equally, the challenge is on the monitoring or inspecting the malpractice from the implementation of the law over large number of the business enterprises in Thailand.⁷ The worse situation has been on the group of migrant workers working in the areas of work that the protection not only has been excluded from the main labour protection law but also under different guidelines on labour inspection.⁸

Under labour protection law, the right to access to justice system for the migrant workers is guaranteed by law; the problem is on the remedy that could be obstructed by the expiration of passport and work permit. Thus, migrant workers can be deported before the end of the justice process, which normally takes longer time. Besides, all workers regardless of the legal status can access to the Workmen's Compensation Fund under the Workmen's Compensation law. However, access to such fund requires the official passport and work permit in order to directly reimburse the expenses and compensation from the fund.⁹ Otherwise, the official will order the employer to pay to the worker instead but the soft enforcement to the employer. The problem occurs when migrant workers waiting for the issuance of passport and work permit or the worker allowed to work during waiting for deportation got work-related accidents so that they cannot directly access to the workmen's compensation fund. This creates also the question of discriminatory practice.

Regarding the social security, the migrant worker who is in a regular situation is under the national social security system like Thai worker. However, some of the social security benefits of migrant worker are yet equal to Thai for example the unemployment benefit. The long-term benefit such as the old-age benefit remains a problem for foreign migrant workers in Thailand, especially on the lack of system or agreement on the transfer of benefits. It is also no clear evidence that the worker's welfare system has been the agenda of the ASEAN forum. For the migrant worker using temporary passport, the migrant workers themselves and families even with a working license are excluded from the national social security system; they are required to buy the health insurance package. The undocumented is in the worst situation; they are access to health care only on a humanitarian basis.

Employment Service and Employment Policy on Migrant Workers

Thai government clearly provides facilitation to a migrant worker who is in a regular situation; this practice has been long before Cebu Declaration in 2007 but go along with such ASEAN Declaration. However, the facilitation of cross-border migrants covers the registration of those already residing in the country illegally and the recruitment of the potential workers. The case is more complex when the legal status of the worker could be swift either from regular to irregular or vice versa. This results from various reasons such as the expiration of work permit or the failure to pay for cost in national verification process.

The international laws on the labour migration mention the obligation of the state party to facilitate a migrant worker through the recruitment process, the role of the recruitment agencies, the prevention of migrant workers from abuse and the protection of fundamental rights. Nevertheless, these are not in practice seemed to be on the spotlight of Thai government as the receiving country of migrant workers. Under the International Labour Organization (ILO) Convention on the Organization of the Employment Service 1948 (ILO Convention No. 88) and the ILO Convention concerning the

Employment Policy 1964 (ILO Convention No.122), Thailand has the obligation regarding the management of labour migration for the migrant workers working in Thailand and Thais working abroad.¹⁰

Under the ILO international supervisory mechanisms¹¹, the committee of expert to Convention No.88 in 2010 mentioned Thai government's strategies on the management of foreign workers which were defined with the ultimate goal of "employing alien workers legally" and the three phases of such implementation. The committee of expert asked Thai government to provide more information on measures on the facilitation of migrant worker, the effect of public employment service on the protection and the prevention of migrant worker from abuse, the eradication of abuse by the intermediary. In addition, ILO committee of expert to Convention No.122 in the same year asked the government the public employment policy on the effective measures to address and resolve issues relating to migrant workers and the result of the active employment policy on the prevention of abuse in recruitment and other exploitation.

Therefore, with regard to the situation of intra-ASEAN people movement and the international obligation of state, the employment policy of the state has to concern the migrant workers both in regular and irregular situation. For the latter group, one suggestion is that the national policies to deal with trade liberalization should also include migration policies that identify what role ASEAN can be expected to play in helping manage the irregular migrant in the host countries. (Pholphirul & Rukumnuaykit, 2009, pp.196-197)

Besides, the private employment agencies are getting important role on the facilitation of migrant workers. Even though Thailand is not ratified the ILO Convention on the Private Employment Agencies (ILO Convention No.181), the mentioned conventions are covered the protection of migrant worker by the state from the abuse from these private rather than the state employment service.

Effect of laws and policies on migrant workers with regard to regional integration

Laws and Policies on migrant worker and a regional integration

Regional integration benefits the skilled workers who seek a job in another country. This can be true only if law and policies are designed to facilitate this flow of people as well as protect the workers from abuse. In addition, the reality that most of the migrant workers working in Thailand are in irregular situation cannot be ignored by the government when they think about migrant workers and a regional integration. The regional integration has been agreed upon the labour migration of the skilled migrant workers, which most laws and policies are already in place. Laws and policies to deal with the undocumented have been conducted before the Cebu Declaration in 2007 and remain under the umbrella of national security. These measures are aimed to control the migrant workers by using laws on immigration and working alien as a tool for the government and the state officials. In other words, they have been designed to achieve the national security rather than the right-based approach to the workers. Using the control rather than rights approach is easier to push the workers to a victim of human rights violation.

Opposite to the skilled workers, there is no commitment from the government to the group of the undocumented migrant workers but the prevention and protection from trafficking in persons. Instead, after Cebu Declaration in 2007, Thai government put more pressure on the undocumented migrants to get through the national verification process or they will be faced with arrest and deport due to immigration law and get harder punishment if work in Thailand according to the 2008 working alien law. The new comers cannot migrate independently; they need to get in the MOU process. Again, this could make the worker more vulnerable to rely on the intermediate or private employment agencies.

Type of work for foreign skilled workers is opening up based on the ASEAN agreement on free flow of skilled workers; however, the low skilled foreign workers are allowed to work in more restricted areas of work which depends on the issuance of the ministerial regulation. Two main works allowed for migrant workers through MOU and national verification process are agriculture and house work. Interestingly, certain types of work which rely much on foreign workforce from neighboring countries such as agriculture, domestic workers and sea fearers are exempted from labour protection law. These works are based on different standards and separate system of labour inspection. This could

cause the question on the equality of treatment to the worker such as on the right to health for this specific group of workers. These differences happened before and remained after the ASEAN declaration on the promotion and protection the rights of migrant workers. Changes after the Cebu Declaration have been on the change on fair labour contract, prohibition of child labour below 15 years old.

The right to access to justice is the problem when it comes to the issue of the related-work injures or death. The injured worker or family cannot directly access to the workmen's compensation fund without the official passport or the certificate of aliens. Therefore, the employer will be ordered to pay for the injured worker or family instead. This practice caused the problem to the worker who is on the process of national verification and the new registration. These requirements are set by the social security office; the practice is deviated the labour protection law which lay foundation for the workmen's compensation law with regard of the non-discrimination against workers.

For social security, Thai government has yet been prepared to deal with the obvious problem on social security for migrant workers even in the formal legal status. Long-term benefit such as the old-age benefit is question when the law allowed the short-term work permit such as two years of work. Short-term benefit such as the unemployment benefit has the problem in term of registration and management of the unemployed worker which the government has yet prepared the system for this situation.

The government employment policy and service have to include the group of migrant workers and the protection of the migrant worker in its territory regardless of their legal status from the abuse and exploitation. Thai government has explained this action to the ILO supervisory committee by mentioning the steps allowing for migrant worker to be registered and request for work in Thailand. However, it is not clear whether the government has the policy on labour migration management in the long run. The policy on the facilitation and management of migrant workers from ASEAN should be on the government's agenda and policies with regard to reality of migrant workers in irregular situation.

Key Concern on the current laws and policies for a regional integration

For skilled workers, the remaining problem is on the application of social security benefits as well as the possibility to transfer the benefits back to the national social security of their country of origin. Tackling this problem will definitely encourage the regional integration for the flow of skilled workers. Nevertheless, for the unskilled or low skilled workers particularly from neighboring countries, a major question for the future is to what extent it will be possible to have clear channels for migrant workers to enter the country to fill labour needs in a safe and certain manner, granted that Thailand is and will remain short of Local workers in some sectors – thus inevitably needing migrant workers from other country. (Vitit, 2005, p. 4)

The employment policy and employment service should effectively cover the protection and facilitation for all groups of migrant workers in order to prevent them from human rights violations such as human trafficking. The problems in practice are examples, the insufficient employment service centers in the migrant workers community, if the service is provided in the language of the migrant workers and if the employment policy concerning migrant worker is really "active" and protect them from abuses.

It should be reminded that to apply the swigging policy to the group of migrant workers entering the country illegally may result in the change on the legal status of the migrant workers and that would lead to the degree of protection. Through this process, room has been opened for the private recruitment agencies to do business such as the national verification process and the job-seeker service but lack of the capacity of the government to monitor or control the business's cycle. Also, strengthening the law enforcement for those entering and/or working illegally in the state may lead to other human rights violations such as the capability to identify the trafficked victims and the migrant breaching immigrant law.

Conclusion

Due to the trade liberalization and influx of labourers, laws and policies to manage the flow of migrant workers from the intra-ASEAN have been introduced to Thailand before the regional commitment to promote and protect migrant workers in 2007. Such laws and policies aims to

regularize those migrants enter the country illegally by using the executive law order. The issue is under the national security leading to the control measures.

The Cebu Declaration clearly serves the facilitation of only documented migrant workers. However, laws and policies to facilitate the documented migrant workers have not much changed since they are already in place for the skilled worker who come with passport and work permit. The declaration rather triggers the talks on the transfer of social security for the skilled workers.

The effect of the declaration on the undocumented ASEAN migrant workers which most are unskilled or low skilled workers is not obvious due to the exclusion from the declaration. Nevertheless, after the adoption of Cebu Declaration in 2007, it has been observed that Thai government has strengthened the enforcement on the laws and policies regarding the regularization of undocumented workers from ASEAN neighboring countries and at the same times applied harder punishment according to the amendment law in 2008.

Through this process, the workers are vulnerable for other human rights violations especially by the dependence on intermediary or private employment agencies which they could be risk to get in a human trafficking cycle. The employment policy and service have not clear on to what extent they would deal with the migrant workers from ASEAN countries either documented or undocumented. Importantly, there is no concrete governments' policy in the long run to manage labour migration within ASEAN, especially on unskilled or low skilled workers which it is deniable that this group of migrant workers is foundation of Thailand's business and economy.

In short, the facilitation of labour migration particularly intra-ASEAN migration inevitably needs to tackle the migration of both skilled and low or unskilled workers as well as the reality of formal and informal migration. The rights-based approach should be recognized in laws and policies with regard to the protection of migrant workers, the employment policy and service, the management of foreign workers and the prevention from human rights violation.

Note

1. The general commitments of ASEAN members under the Declaration on the Protection and Promotion of the Rights of Migrant Workers are as follows:

- To promote and protect rights and welfare of migrant workers;
- To work towards the achievement of harmony and tolerance between receiving states and migrant workers;
- To facilitate access to resources and remedies;
- To promote fair and appropriate employment protection;
- To provide victims of abuse and exploitation access to legal and judicial system in the country; and
- To facilitate the exercise of consular functions.

Article 4 of the Cebu Declaration provides that nothing in the present Declaration shall be interpreted as implying the regularization of the situation of migrant workers who are undocumented.

2. Report on working license of Department of Employment Year 2012, access online at <http://wp.doe.go.th/wp/images/statistic/sy/sy2555.pdf>

In 2012, the work permits have been issued to foreign workers from neighboring countries that completes a national verification process: 733,603 and foreign workers through MOU with neighboring countries: 93,265. In addition, the permits to work for migrant workers waiting for deportation have been issued to 167,881 workers (mostly on Construction and Agriculture), 63,768 of whom are from Myanmar.

3. Thai government opens for new registration after the 2014 coup. From 26 June – 5 October 2014, 1,261,161 migrant workers and their families (migrant workers: 1,186,406 and families 74,755) are registered with the government. Burmese registration composes of 473,714 people. Main works of the migrant are construction, agriculture and other service. http://wp.doe.go.th/wp/images/pr/pr_oss051057.pdf

4. Article 9 of Alien Working Act 2008 set the criteria for issuing a working license to the migrant workers; the Department of Employment divides workers into four categories according to different types of working license namely, work permit for firstly, the permanent aliens, secondly, the general skilled workers, thirdly, migrant workers through the national Verification and lastly the migrant workers though MOU with neighboring countries. Work permits for last two groups of migrant workers have been mostly issued to Burmese migrant workers.

5. Alien Working Act 2008, Section 7, provides that any work which an alien is prohibited to engage in any locality and at any particular time shall be prescribed in the Ministerial Regulation with regard to national security, Thai nationals' work opportunity and demand of alien labor necessary for country's development, provided that it may be proscribed differently between general aliens and an alien under Section 13 and Section 14. While, Alien Working Act 1978, Section 6 provides that subject to Section 12, any work which an alien is prohibited to engage in any locality and at any particular time whether subject to absolute or conditional prohibition and to any extent shall be prescribed by the Royal Decree.

6. Ministerial Regulation No. 9 B.E.2541 (1998), Ministerial Regulation No. 10 B.E.2541 (1998) and the Royal Decree on the work that provides different protection from the labour protection act B.E.2541 (1998) supplemented to the Labour Protection Act 1998 (B.E.2541).

7. The ILO Global Survey provides that labour inspection in Thailand is shared by different departments based on the range of responsibilities which may be rather broad and concern not only conditions of work but also matters such as labour relations. Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III (Part 1B), General Survey of the Report Concerning the Labour Inspection, International Labour Conference, 95th Session 2006, p.18.

8. For instance, the Ministerial Regulation on the Protection of Workers in Agriculture B.E.2547 (1994) establishes guidelines for labour inspection in agriculture separate from the main labour protection law.

9. Social Security Office Circular No.RS.0177/W751 of 2001 (Thailand).

10. The ILO convention No. 88 focuses on the government's role to provide the employment service on free of charge and the system run by the government. The ILO convention No. 122 focuses on the government's role to design an active policy to promote full, productive and freely chosen employment.

11. Concluding Observation of ILO committee of expert to Convention No.88 on the employment service and to Convention No.122 on the employment policy in 2010. More information on NORMLEX: <http://www.ilo.org/dyn/normlex/en/f?p=1000:1:0::NQ::>

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Asean Connectivity and the Chinese Migration to Vietnam*

(24)

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Abstract

Chinese migration to Vietnam had been going on for a long time since the pre-colonial period of Vietnam due to political and economic pressure among other reasons. In the mid 19th century until the early 20th century, the French encouraged migration to Cochinchina, and then from 1906 to 1921. It shifted to a policy of discouraging immigration. However this could only slow down the flow of Chinese. In the end of 1940's, the French authority wanted to stop the large influx of Chinese immigrants. After the reunification of Vietnam in the mid 1970's, the economic reforms launched by the Vietnamese government between 1976 and 1978 forced the Chinese to leave Vietnam.

The resumption of peace in the Mekong sub-region in the beginning of the 1990's, the normalization of Vietnam-China relations in November 1991, the Chinese Going Global Strategy addressed by premier Zhu Rongji in the People's Congress in 2001, led to the increase of its economic activities with Vietnam at present : such as cross border trade, development projects and investment. Vietnam's resources in particular attract considerably Chinese investment. Road development in China and in the whole Mekong sub-region (between China and Vietnam in particular) has provided undeniably good infrastructure connectivity and facilitated goods and people mobility. However, this is parallel to the flow of Chinese immigrants to Vietnam. Apart from geographical proximity, people to people connectivity has been facilitated as well by the connection between the mainland Chinese and the Overseas Vietnamese in Vietnam. At present, the number of the Chinese flowing in Vietnam has increased unceasingly. They are contracted workers and voluntary workers. However the flow is out of control of the Vietnamese authorities and the number is unknown.

Keywords: Chinese Migration to Vietnam / ASEAN Connectivity/ Zhu Rongji/ People to People Connectivity/ Vietnam

This paper discusses the contemporary situation of Chinese migration to Vietnam by focusing on the channels of border trade and investment. Due to the dearth of official statistics on Chinese migrants in Vietnam, this study is still at its preliminary stage.

Chinese Migration

Chinese out-migration started many centuries ago. But the massive migration of Chinese in the mid-19th century was triggered by the surge of demand for cheap labor at the peak of European colonization in Southeast Asia (by Holland, Great Britain, France), the development of plantation in Latin America, Central America and Polynesia, and the construction of new countries in North America, Latin America and Australia. At the beginning of the 20th century, 8 to 10 million Chinese settled abroad. By the beginning of the 1980's, over 20 million Chinese were estimated to live overseas, of which 85% were in Southeast Asia.¹ In many countries, Chinese migrants set up small commercial or artisanal enterprises providing goods supply, running financial business as well as offering work force. These business communities established their networks in different countries. This entrepreneurial diaspora has important impact on contemporary Chinese migration. Mainland Chinese respond to overseas labor demand mediated by these Chinese enterprises. Moreover, the proliferation of these enterprises encouraged more out-migration which in return contributed to their own development.

China's open up at the beginning of the 1980's increased out-migration. From 1982 to 2000, Chinese migrants increased from 56,930 to 756,626 according to the census undertaken by Beijing.² Peter Kwong estimated that at the end of 1970's 18 million Chinese migrated overseas. In 2009 the

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¹ Emmanuel Ma Mung Kuang, "La nouvelle géographie de la diaspora chinoise", *Accueillir* No. 249-250, mars-juin 2009, p.33.

² *Ibid.*

number increased to approximately 35 to 40 million, of which three-quarters were in Southeast Asia (as compared to 90% in the 1960's). Although Chinese migrants had been solely from three southern provinces (namely, Guangdong, Fujian and Zhejiang), from the 1990's onward, the migratory network has expanded to other regions, such as Beijing, Tianjin, Shanghai, and three northeastern provinces of China (Heilongjiang, Liaoning and Jilin).

Since the policy change regarding overseas Chinese in 2001, the Chinese government has improved its relationships with all these communities and associations as well as encouraging collaboration among overseas Chinese associations in different parts of the world.

Chinese Migration to Vietnam

The history of Chinese migration to Vietnam began long before colonization era, due to political, economic pressure and other reasons. French colonizers initially encouraged Chinese immigration to Cochinchina but only from the mid-19th century until the early 20th century. During 1906 to 1921 the policy shift to discourage, but could only slow down the flow. By the end of the 1940's, French authority tried to stop the influx, still a large number of Chinese have lived in Vietnam, especially in South Vietnam.

After the reunification and socialism expanded throughout Vietnam in the mid 1970's, Chinese immigrants were forced to leave when the government launched economic reforms between 1976 and 1978. In 1979, there were about 1.5 million ethnic Chinese living in Vietnam. Approximately 300,000 were located in the North. After the China-Vietnam border war in 1979, some 300,000 Chinese left Vietnam for China or elsewhere.²

After Doi Moi policy was declared in December 1986, the government, however, shift to welcoming Chinese. At present, a significant number of Chinese immigrants have gained Vietnamese citizenship. According to Vietnam's General Statistical Office (GSO), the population of Chinese in Vietnam in 2009 was 823,071. About 85 percent of ethnic Chinese are living in the southern parts of the country, with more than 500,000 living in Ho Chi Minh City.³

This paper is a preliminary overview on the contemporary situation of Chinese migration to Vietnam through the path of trade and investment after the open up of China in the end of the 1970's. We consider the 1980's as the beginning of a new wave of Chinese migration.

Push and Pull Factors of the Chinese Migration

Globalization (since the 1990's) has tremendously changed the political economic contexts at all levels from international, regional and domestic, generating both push and pull factors compelling Chinese to seek new opportunities outside their homeland.

The end of problem in Cambodia at the beginning of the 1990's returned peace to the Mekong region. The normalization of Vietnam-China relations in November 1991 has strengthened all aspects of their relationships, particularly in investments and bilateral aid for economic development in Vietnam. Projects in construction of cross-border road network stimulate the flow of not only goods but also people via the long shared border of China and Vietnam.

Once the Chinese cross the border to the Vietnam side, they could stay in any border provinces, or move on to other parts of Vietnam such as the central and the south by road 1A. In the southern provinces of the Mekong delta, a number of Chinese are working there.

For Chinese investors, the main attraction is the abundance of natural resources in Vietnam. They not only invest in mining, hydropower, timber, and fisheries but also continuously bring along Chinese workers to Vietnam. Consequently, Chinese economic aid to enhance regional connectivity significantly facilitates not only trading of goods but also exporting of labor from China to Vietnam.

² Nguyen Van Chinh, "Recent Chinese Migration to Vietnam", *APMJ*, Vol. 22 No. 1, 2013, p.9.

³ *Ibid.*

This is one impact of the Chinese Going Out or Going Global Strategy ⁴ as addressed by premier Zhu Rongji in the People's Congress in 2001. The policy has become a major push factor for Chinese to migrate to Vietnam. It also widens to territory of cheap labor while lowering production cost for various manufacturing industries in China. From the late 1980s, China became a center for manufacturing by offering cheap labor to Western companies. And in 1999, the Chinese government started to encourage investments abroad.

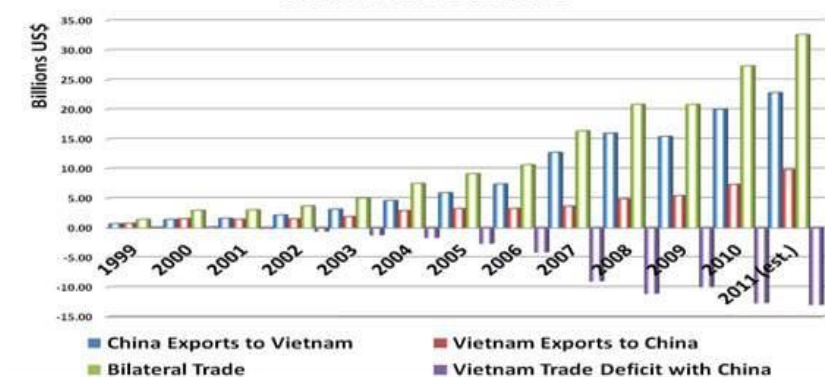
The Chinese Going Out Strategy has been expressed in various forms--economic, political and cultural--all emphasize the importance of outward investment. As a result, the level of Chinese external investment has continued to increase considerably. During the initial phase of the policy between the year 2000 and 2007, the level of China's investment abroad increased by roughly 1,000% , from under US\$2 billion to almost US\$20 billion. In 2012, the Chinese government proposed to relax the restrictions upon those seeking to expand business abroad aiming to make the process of overseas investment more accessible for Chinese companies. By December 2012, China recorded its highest levels of outward foreign direct investment ever. According to the Ministry of Commerce, Chinese overseas foreign direct investment (OFDI) for the year 2012 was at US\$77.2 billion, up 28.5% from US\$60.1 billion in 2011. ⁵ We can see that the growth has shoot up tremendously. And we will see later that the number of Chinese workers increased significantly too.

Cross-border Trade and Investment in Vietnam

Cross border trade

Since the reopening of border trade between China and Vietnam in the 1990's, trade has increased approximately 20 % annually. In 2013 trade between China and Vietnam totaled USD 50.21 billion, with 30% of border trade going through Guangxi province and 5 billion through border trade with Yunnan province. ⁶

Figure 1. Vietnam - China Bilateral Trade and Trade Balance



<http://www.eastbysoutheast.com/wp-content/uploads/2014/07/CHina-vietnam-trade.jpg>

⁴ see Sandeep Sudan, "China's "Going Out" Strategy: Increasing Overseas Expansion", 21 July 2014, <http://www.pinkerton.com/blog/china-going-out-strategy>.

⁵ "What is meant by China's 'Go Out' policy?", <http://www.maxxelli-consulting.com/china-go-out-policy/>; Paul Nash, "China's 'Going Out' Strategy", 10 May, 2012, <http://www.diplomaticcourier.com/news/regions/brics/-181china-s-going-out-strategy>.

⁶ Brian Eyler, "The Coming Downturn of China-Vietnam Trade Relations, 9 July 2014, <http://www.eastbysoutheast.com/fear-change-future-china-vietnam-trade-relations/>.

The shared border of Yunnan and Guangxi (China) and eight provinces of Vietnam make this geographical proximity the gateway for China-Vietnam border trade exchange. Three main international border crossing points are as follows.

	Vietnam		China	
	International border crossing points	Province	International border crossing points	Province
1	Mong Cai	Quang Ninh	Dong Hung	Dong Xing, Guangxi
2	Dong Dang (Tan Thanh)	Lang Son	Ping Xiang	Guangxi
3	Lao Cai	Lao Cai	Hekou or Ha Khau	Yunnan

More than 90 % of border trade with Yunnan flows through the Hekou or Ha Khau -Lao Cai border gates. Since border trade is significant for both countries, China and Vietnam have invested billions in highway and railway construction to facilitate the border trade between Hanoi and Kunming. As for border trade in Quang Ninh-Guangxi, Guangxi has a few deep water ports which can link to Vietnamese ones at Haiphong, Hue, Ho Chi Minh City, and Can Tho on the Mekong Delta.

Guangxi serves as a critical trade channel between China and Vietnam partly due to its neighboring proximity to Guangdong, the market of consumption and production in southern China. Guangxi is also a gateway, especially for Vietnamese goods, for distribution to China's populated coastal provinces. Goods are unloaded from Vietnamese trucks, inspected and then repackaged for sale in China. As a result of this process, a service sector that facilitates distribution of Vietnamese goods into China has developed at Guangxi's two overland entry ports. Guangxi is favored as the land transit point for trade into China because it has more border points than Yunnan province. Compared to Yunnan, Guangxi's points of entry are located in less mountainous areas and less remote to the city, so the speed of entry is faster, and the cost of transportation is lower. Goods flowing into China through Guangxi takes two to three hours in order to reach a major urban area like Nanning which hosts major wholesale distribution centers.

While Vietnam exports minerals (e.g., iron, copper) and agricultural produces (e.g., dragon fruit, watermelon, limes, rice, tea, coffee and sesame), seafood products.

China exports agricultural produces (e.g., apples, pears, peaches, garlic, coffee, rice, sweet potatoes, cassava, seafood, rubber, herbs for medicine. China also exports ready-made dresses and accessories, mosquito nets, shoes, sandals, toys, candies, electronics, daily use items such as kitchen or cooking utensils and cosmetics. Most of them are cheap. Moreover, a large portion of China's commodities exported to Vietnam are partially processed, e.g., factory machines, electronics, and clothing. In the manufacturing sector, China also exports unfinished parts to be processed or assembled in Vietnam before shipping off to the rest of the world. China also exports minerals, hydropower, energy.

According to Nguyen Van Chinh, no specific data on the volume and values of goods brought by Chinese could be collected by any Vietnamese government agencies.

Following the unequal exchange of goods is the unbalance flow of migrants. Chinese workers are either one-day circulatory migrants or stay longer on Vietnam side. For those long stayers, some do seasonal jobs, some own shops in border-town markets, some serve as healer although they are not recognized as doctor.

Markets in Mong Cai are good examples of border trade. Mong Cai in Quang Ninh province, 360 km away from Hanoi, is known as "Market city" because six big markets are located in the city center⁷ with three main markets and a night market in the city. There are thousands of households there.



https://www.google.co.th/search?q=picture+mong+cai&biw=1366&bih=683&tbm=isch&tbo=u&source=univ&sa=X&ei=7Zc_VPeuC-

Chinese traders scatter and dominate the business in various locales in Vietnam, not only in lowland, large cities but also in hinterlands such as small villages, mountainous areas. The Mong Cai Central Market located on Tran Phu Road is one of the largest border markets in Mong Cai and northern Vietnam. The center has 5 floors, each floor sell different products. On the ground floor, there are all kinds of machinery. The 1st floor is reserved for fashions, the 2nd has all kinds of common goods, and the 3rd floor is occupied by herbal medicine shops. The herbalists are both Vietnamese and Chinese.

The Mong Cai Central Market is a wholesale market, opening from 7 am to noon or 1 pm. The market becomes alive in early morning when retailers arrive. The traders include both Vietnamese and Chinese from the nearby Chinese town of Dong Xing. The rich varieties of goods at Mong Cai Market attracts shoppers.

In the market, there are also traditional northern medicinal ingredient stalls, with Chinese physicians feeling your pulse and writing a prescription for medicine. 90% of the shop owners in the market are Chinese and each shop has 2 traders, one Vietnamese and one Chinese. Some of them are bilingual. Customers can pay in Vietnamese dong or Chinese yuan.



Mong Cai Central Market

<http://english.vietnamnet.vn/fms/travel/83773/a-day-in-the-border-city-of-mong-cai.html>

⁷ "Mong Cai Border Market", 6 August 2013, <http://www.quangninh.gov.vn/en-US/Pages/DetailLiving.aspx?sid=10&chm=Shopping>.



Mong Cai Central Market

<https://www.google.co.th/search?q=picture+mong+cai&biw=1366&bih>

Mong Cai Markets 2 and 3

These markets are located in Hoa Lac Ward, 1 km. from Bac Luan border gate. These markets also sell items similar to the Mong Cai Central Market but the Mong Cai 3 market is also known for electronic gadgets. The night market in Mong Cai opens from 18.00 to 22.00, mainly selling groceries, souvenirs, apparel, household appliances and especially Chinese food.

These border markets in Mong Cai have evolved not only into a trade centre for exchange of goods, but also a place for cultural interaction between China and Vietnam. So Mong Cai is a multi-purpose place : for economic transaction along with cultural exchange between the provinces of Quang Ninh and Guangxi.

Chinese Migrants to Vietnam

The activities along Vietnam-China border bring a big number of Chinese to Vietnam. Some go to Vietnam for informal trade. According to Nguyen Van Chinh, 1,777,912 crossed Dong Xing-Mong Cai checking point in 2007, in which 1,310,844 crossed from China to Vietnam.⁸ At present, the precise figure of Chinese migrants is unknown and the statistics need to be deeply explored and collected. However, we were told by the Vietnamese scholars and the Vietnamese traders at the border areas that the number of Chinese crossing to Vietnam has been increasing unceasingly. And that the Chinese who are engaged in cross border trade are traders, farmers, migrant workers, healer, herbalists, doctors and nurses.

90 % of the kiosks in Mong Cai Central Market were rented by Chinese traders –most of them cross over to the Vietnam in the morning and return home to China in the afternoon.⁹

Apart from selling products in markets, the Chinese open food shops or restaurants, they do farming. Many Chinese migrants grow cash crops on rented land and bring back the produces to sell in China. This cross-border farming tends to increase. Most farms are run and owned by Chinese but under the names of their Vietnamese wives. Some Chinese migrants were married to Vietnamese Chinese. This gave them right to have land for plantation. This is happening not only in the north of Vietnam, but also in the south of Vietnam which is very far from China-Vietnam border.

Chinese clinics were also opened by Chinese migrants in many provinces, in the north in particular. Some were recognized by the Ministry of Health, some were not. There are at least 168 Chinese clinics in Vietnam.¹⁰ However they are under inspection of the Vietnamese authorities and they found that some were not qualified.

⁸ *Op.cit., Chinh, p.21.*

⁹ *Ibid., p.21.*

¹⁰ *Ibid.*

Chinese Foreign Direct Investment in Vietnam

China is aiming to increase its investment in the region fivefold to US \$150 billion by 2020.

China is also focusing on investment on infrastructure in the region, especially roads and high-speed railways. China is spending US \$7 billion to build a railroad starting from Yunnan's capital Kunming and running through Laos, Vietnam, Cambodia, Myanmar, Thailand and Malaysia before terminating in Singapore.¹¹

Before the May riots against Chinese factories in some provinces in Vietnam in 2013, China was the 7th largest investor in Vietnam. In 2013, China poured in USD2.3 billion, six times more than its 2012-investment.¹² Chinese FDI projects are mostly concentrated in mining, cement production, assembly and manufacturing, construction, agriculture, as well as forestry, and fisheries. Mega projects using China's aid schemes are in the following sectors: mining (e.g., bauxite industry), power generator (thermal and coal-fired), fertilizer, telecommunication, and railway signal system.

The investment in mining industry, thermo-power plant, coal-fired power plant, etc, are good examples. Bauxite industry is a huge project invested by the Chinese company in central highland. While a thermo-power plant was invested by China Chengda Engineering that is a contractor of the Duyen Hai 3 thermo-power plant project in Tra Vinh province in the Mekong Delta. And Vinh Tan 2 coal-fired power plant was invested in Tuy Phong District of Vinh Tan Commune in the south central province of Binh Thuan.¹³

Apparently, China's aid scheme serves as an important spring board to promote China's foreign trade and investments in Vietnam.

FDI and Chinese labor migration

Various construction projects allow Chinese contractors to bring along their workers from China. This led to the influx of Chinese contract labor migration, not just technical experts, engineers and managers. Chinese contractors argue that because of the lack of qualified Vietnamese who can speak Chinese, they need to bring along Chinese workers. However according to Vietnamese regulations, foreign companies bidding for Vietnamese government contracts must give priority to qualified Vietnamese workers.

The number of Chinese workers in Vietnam keeps increasing. At various worksites managed by Chinese contractors, the Chinese are 80 percent of the total workforce. According to Nguyen Van Chinh, Chinese workers increased more than three times from 2005 to 2010. The Chinese workers always overstayed by one or more years after the contract ended, and continued to work at various projects at other sites for the same or different Chinese employers or contractors. Unskilled labor mostly work in construction sites. After some months, the workers were moved by their employers to other sites, so the placement companies can save transaction costs as they don't need to do the new recruitment. As for the workers, they are happy with this arrangement as they can continue to have job and are not obliged to return to their country, particularly those who got married with the Chinese Vietnamese.

Illegal Chinese workers are often found at various construction sites. A report by Vietnam's labor ministry released last August (2012) indicates that around 33 percent of the 77,087 "foreign" workers in Vietnam are working without permits.¹⁴ And these "foreign workers" means Chinese workers.

¹¹ Noel Quinn, "Investment drive deepens economic ties between China and Asean", 7 October 2014, <http://www.nationmultimedia.com/business/Investment-drive-deepen-economic-ties-between-Chi-30244849.html>.

¹² Ibid.

¹³ Que Ha "Chinese workers flood power plant in central Vietnam", Thanh Nien News, 1 April 2014, <http://www.thanhniennews.com/society/chinese-workers-flood-power-plant-in-central-vietnam-25014.html>.

¹⁴ "Chinese workers upsetting balance at central Vietnam commune".

In March 2014, Tra Vinh Department of Labor, Invalids and Social Affairs discovered 230 illegal Chinese workers at China Chengda Engineering, a contractor on the Duyen Hai 3 Thermo-power Plant project.¹⁵ While at the construction site of the Vinh Tan 2 coal-fired power plant in Tuy Phong District's Vinh Tan Commune, only 283 of 538 of the Chinese workers have work permits.¹⁶ Provincial authorities have complained that they have been unable to control the flow of Chinese workers into the project as Chinese contractors have many ways to "legalize" their recruitment. The contractors have also taken advantage of a loophole in Vietnamese regulation that allows foreign contractors who engage in several projects in Vietnam to bring workers from one construction site to another.

Most Chinese workers arrived Vietnam on travel visas. They could work around three months at the construction sites without work permit. Vietnamese law does not require work permit if the foreigner works less than three months. Nevertheless, 118 Chinese workers are found working illegally, out of a total of 234 Chinese. They were employed by Chinese contractor Sino Hydro Power Plant in central Vietnam's Quang Nam Province.¹⁷

Chinese workers and crime

Chinese workers, legal or illegal, frequently quarrel. There have been many cases reporting their fights and robberies. In some cases, Chinese workers attacked, stabbed and seriously injured the local Vietnamese, such as the case of Chinese workers at Sino Hydro Power Plant in Quang Nam Province.¹⁸ In some cases, Chinese employers mistreated their Vietnamese workers, for example, Chinese employers beat their Vietnamese ethnic workers with canes after being asked for payment.

Globalization, domestic pressure in China has pushed Chinese migration into Asean and the Mekong region including Vietnam, while infrastructure development, which can connect further to Malaysia and Singapore, facilitate the flow of Chinese as well as goods across the border. Thus, border trade, investment and economic aid in Vietnam are factors of an ever increasing number of Chinese migrants in Vietnam. But Chinese influx does not stop merely in Vietnam, but spread throughout Cambodia, Laos and Myanmar too.

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¹⁵ "Questions remain about how Chinese firm in Mekong Delta imported 2,100 workers", 9 July 2014, *Thanh Nien News*, <http://www.thanhniennews.com/business/questions-remain-about-how-chinese-firm-in-mekong-delta-imported-2100-workers-28291.html>.

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Local Governance

What connectivity matters in enhancing Thai local governance? Empirical evaluation of Thai local government survey in 2006¹

(25)

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Abstract

Since the enactment of Act on Tambon Council and Tambon Administrative Organization (TAO) in 1994, 2 decades has passed. It has created almost 7 thousand basic local governments in rural areas from 1995 to 1997. Then, Thai Constitution of 1997 was promulgated, which strengthened autonomy of existing local governments and promoted decentralization. And based on the Decentralization Promotion Act of 1999, massive devolution of duties and responsibilities, financial resources, and personnel was implemented.

There are many case studies on local governance in Thailand. Nonetheless, there are few research on local governance based on systematic qualitative analysis.

In this paper, we will identify several factors to affect capability of local government, based on the Thai local government survey conducted in 2006 by the Institute of Developing Economies (IDE) of Japan and Faculty of Political Science, Thammasat University. 2 different types of questionnaires were sent to all TAOs and Thesaban (Municipalities) by mailing. And collection ratio was 35%.

After identifying important variables, correlation shall be explained between contact frequency as independent valuables and local capability as dependent valuables. Changing connectivity at grassroots level between local governments, field agencies of the central governments and local people shall be analyzed in this paper.

Keywords: Local Government Survey/ Decentralization/ Tambon Administrative Organization/ Thesaban/ Thailand

Introduction

Since the enactment of the Act of Tambon Council and Tambon Administrative Organization (TAO) (hereafter, abbreviated as TAO Act of 1994) in 1994, 2 decades has already passed. This Act has created almost 7 thousand basic local governments in rural areas from 1995 to 1997. Then, Thai Constitution of 1997, which was considered the most democratic constitution in the Thai political history, strengthened the local autonomy and promoted decentralization. Based on the Act Determining the Decentralization Plan and Procedures of 1999 (hereafter, abbreviated as the Decentralization Promotion Act of 1999), massive devolution of duties and responsibilities, financial resources and personnel was implemented.

The decentralization has the theoretical pre-condition that the closer the local government is to the local residents, the more effectively and efficiently public services can be delivered. In other words, decentralization is supposed to bring the efficiency and effectiveness of public service delivery by local governments. However, devolution does not automatically and always guarantee the capacity building of the local government. Not only may the strengthening of the internal organization, but also the relationship with outside organizations and local residents be equally important. Because of the unique characteristics of the Thai local administrative system, consultation and cooperation with various field agencies of the central government is indispensable to respond to local needs.

There are many case studies on local governance in Thailand. However, there are few researches on local governance based on systematic qualitative analysis.

This paper aims to make up the gap by the systematic research on local governments through the elite survey. Specifically, this paper explores to identify possible significant factors which may affect the capability of local government, based on the Thai local government survey conducted in

¹ This is an upgraded version of our previous paper. See Nagai and Kagoya [2013].

2006. This survey was conducted under the collaboration of the Institute of Developing Economies (IDE) of Japan and the Faculty of Political Science, Thammasat University. 2 different types of questionnaires were sent by postal service to all mayors (or *Nayok* in Thai language) and clerks (or *Palat* in Thai language) of TAOs and Thesaban (Municipalities). Collection ratio turnout was about 35%².

This paper is composed of 6 sections. The first section analyzes the difference between urban local governments and rural local governments, which significantly determines the Thai local government institution. The second section discusses about how to measure the administrative capability of the local government. Following sections 3 through 5 explain the possible independent variables, which may determine the capability of local governments: namely the relationship between local government and other organizations and outside individuals, the year of establishment of the local governments, and clerk's experience at the local governments. And in the Section 6, the result of the Ordered Logistic Regression Model shall be indicated and interpreted. And in the concluding section, further implications and remaining questions will be discussed.

Local government system in Thailand: Urban areas and rural areas

Modern state formation of Thai local administrative system can be traced back to the late 19th century, when colonization threat was immense. King Chulalongkorn (reigned 1868-1910), or the Rama V, initiated various administrative reforms since 1890s, including local administrative reforms. It is during this era of absolute monarchy that vertical local administrative line of the Interior Ministry was installed over the Thai territory. It was composed of 5 tiers of administrative units, namely *Monthons*, provinces, districts, Tambon (Sub-district) and village. At *Monthon*, province and district levels, the Interior Ministry dispatched super-intendants, provincial governors and district chief officers respectively, and other central line ministries also dispatched their officials to the *Monthon*, provincial halls and district offices. On the other hand, there were *Kamnan*/village headmen, who were elected by local residents and performed various assigned functions from the central government. Though after the Constitutional Revolution of 1932 *Monthon* was abolished, the rest of vertical architecture has been kept until today. This legacy of administrative centralization is well depicted in the fact that the Local Administration Act of 1914 is still effective.

On the other hand, local governments in Thailand had been subtle and fragile. The history of local government in Thailand could be traced back to the early 1930s. Due to the frequent occurrence of the military coup d'état and inconsistent democratization at the national level, the development of local government was not full-fledged until 1990s. It was only 35 local governments that were first set up in narrow urban areas in 1935, which enjoyed economic prosperity and dense population. This type of urban local government is called *Thesaban*. Promoters of 1932 Constitutional Revolution initially intended to enlarge the area of *Thesaban* to rural areas eventually. However, the number of *Thesaban* established until 1999 was merely around 150 entities. The delay of this increase of *Thesaban* can attribute to various factors, such as the strict fiscal and population requirements, the legal condition that *Kamnan*/village headmen should be abolished in *Thesaban* area etc. *Kamnan*/village headmen, who are also elected by rural residents, perform assigned tasks commissioned by the central government, such as maintaining law and order, population registration, etc. Naturally, they are less inclined to agree with the establishment of *Thesaban*, simply because they did not want to lose this prestigious post. However, this legal condition was changed in 1999, which made it certain kinds of *Thesaban* and *Kamnan*/village headman to co-exist in rural areas.

There are 4 waves of decentralization in Thailand. The second wave of decentralization was seen in 1950s, when several kinds of local government were newly introduced in Thailand.

One was sanitary districts (in Thai, called as *Sukhaphiban*). Sanitary districts were established in the semi-urban areas, economically prosperous areas next to *Thesaban* areas, and in the district office areas³. Sanitary districts, firstly established in 1953, showed remarkable increase of its

² As for the background of this research project and immediate result of simple counting, please see Nagai, Nakharin and Funatsu [2008].

³ During the absolute monarchy, the first sanitary district was set up in 1897 and the Act of Sanitary District was promulgated in 1907. However, sanitary districts during the absolute monarchy were managed only by district officers, *Kamnan*/village headmen: it did not include elected members from local residents. It did not hold the status of juristic person. Therefore, this paper does not consider sanitary districts established during the absolute

number to 981 places until 1999. Another kind of local government was the Provincial Administrative Organization (PAO). Its administrative area covers the same provincial area except for the existing *Thesaban* areas and sanitary district areas. PAO was set up in every province in 1955, including Bangkok province and Thonburi province. Sanitary districts and PAOs were legally considered as 'local governments' in the State Administrative Organization Act.

However, there was a significant difference between *Thesaban*, sanitary districts and PAOs. While all council members of *Thesaban* were elected directly by local residents and the mayor of *Thesaban* was elected among council members⁴, half of the sanitary district committee members were ex-officio members, such as chief district officers, *Kamnan*/village headmen, whose administrative areas overlaps with sanitary district areas totally or partially. Chairperson was represented by the chief district officer in many cases. PAO council members (at that time, called as Provincial Council members) were all elected directly by local residents; the PAO president⁵ was assumed by provincial governor, who was dispatched by the central government, and other senior officials of the PAO were also assumed by other high officials, such as deputy governors (the highest position in the province, dispatched from the department of local administration, Interior Ministry), district chief officers (senior officials dispatched from the department of local administration, Interior Ministry) etc. In short, though the legal status of the sanitary district and PAO was local government, centrally dispatched officials and local notables were allowed to join in the management of local governments⁶.

The third wave of decentralization came in 1970s, when special local governments were established: Bangkok Metropolitan Administration (BMA) and Pattaya City. BMA was originally established in 1971, when existing Bangkok Province, Thonburi Province, Phra Nakhon *Thesaban* and Thonburi *Thesaban* were amalgamated. The governor of BMA, who was appointed by the Prime Minister, was entitled to attend at the cabinet meeting at that time. However, between 1975 and 1976, BMA governor was elected directly by Bangkok residents and after the interval of appointed governorship, the BMA governor has been elected directly again by metropolitan people. Pattaya is an internationally famous resort town, which is located in the southeast coastal area Thailand along the Thailand Bay. What made Pattaya 'special' comes from its special system to employ the City Manager, developed mainly in the United States. Over the half of its councilors were occupied by the appointed councilors by the Interior Minister. The role of Pattaya City Mayor, who was elected among council members, was limited only to ceremonial ones: real function was assigned to the City Manager⁷.

From the overview of the historical development of Thai local governments, we can understand several distinctive characteristics of local government system in Thailand. First of all, Thai local governments were established according to the degree of economic prosperity. Local governments in Thailand prior to 1997 were made of 1 tier system. Secondly, the degree of direct intervention by the central government and its field agencies (provinces and districts) was different, depending on the kind of the local government. In *Thesaban* areas, *Kamnan*/village headmen were not allowed to exist: Interior officials did not join in the management of *Thesaban*, except military regime period around 1960s. In contrast, in sanitary districts, district chief officers and *Kamnan*/village headmen participated in the management as committee members and/or committee chairperson: In PAOs, executive members such as presidents and other high-ranking officials were all occupied by the high-ranking officials from the Interior Ministry. In other words, the organizational principle of the local government illustrates distinctive contrast between the urban area, the semi-urban area and the rural area [Nagai 2006,110-111](See, Table 1).

monarchy as local governments. In fact, 35 newly established Thesaban were upgraded from former sanitary districts established before the 1932 Constitutional Revolution with juristic person's status.

⁴ During military regime from late 1960s to early 1970s, interior officials assumed the appointed mayors. After the late 2003, all mayors came to be elected directly by local residents.

⁵ The word of the "PAO president (in Thai, called as Nayok)" has been used since the late 2003, when the PAO Act of 1999 was amended to allow this top position to be directly elected by local residents. Until then, this post was called the Chief Executive Chairperson (or in Thai, called as the Prathan Khanakamakan Phuu Borihan). To avoid this technical complex, the word President will be used in this paper.

⁶ One of the authors of this paper used to call this phenomenon as the 'fusion' between central government and local governments in Thailand [Nagai 2008 a, 123-124].

⁷ Concerning to the details of the formation of Thai local government system, please see Chuwong(1996), Thanet(1997), Hashimoto (1999a; 1999b), Nagai (2001), Pathan (2004), Kowit (2005) etc.

**Table 1 Direct Involvement of interior officials distinguished by the kind of local governments
(as of March 1995)**

Kind of Local Government (Established year)	BMA (1986)*	<i>Thesaban</i> (1935)	Sanitary District (1953)**	PAO (1955)	Tambon Administrative Organization (TAO)(1995)	Tambon Council* **
Provincial Governor				○		
District Chief Officer			○	○		○
<i>Kamnan</i>			○		○	○
Village headman			○		○	○

Source: Authors

Note: The vertical column shows the commanding line from the Interior Ministry. The horizontal columns indicate the decreasing degree of urbanization and autonomy from the left to the right. Pattaya City is excluded from this table. Because Tambon Council was the former status of TAO before March 1995, it was included in this table.

* BMA enjoys the dual function as province as well as *Thesaban*. Provincial governor and district officers do not exist in BMA area. *Kamnan*/village headmen do not exist in BMA nowadays, but until recently in outer areas in BMA, *Kamnan*/village headmen did exist. Therefore, in this table, dashed line is inserted in the column of *Kamnan*/village headmen in the area of BMA.

** Except 1 place which was abolished, sanitary districts were all upgraded into *Thesaban* in May 1999. It does not exist nowadays.

*** Tambon Council was set up at all Tambon in 1972 according to the Revolutionary Decree No. 326. However, after the establishment of TAO in 1902, the number of Tambon Council decreased dramatically. In the end, after the modification of the TAO Act in 2003, all remaining Tambon Councils were urged to merger with neighboring TAO or *Thesaban* in the same district as legal requirements. Thus, the existence of Tambon Council is quite negligible. Tambon Council, which did not possess a juridical personality, used to serve for the preparation of Tambon Development Plan, which was submitted to PAO to deliver development projects. PAO at that time was mandated to spare its certain amount of budget to the development plan of Tambon Council. As TAO was established, part of tax resources was also transferred from PAO to TAO. Thus, PAO lost its significant part of its own tax income base, which arose the question of its existence in late 1990s and early 2000s.

Decentralization after 1990s, or the fourth wave of decentralization, changed the existing Thai local government system dramatically in several points.

First, basic local government was established in rural areas: Tambon Administrative Organization (TAO)⁸. Before the establishment of the TAO, there were not administrative offices at the *Tambon* and village levels⁹. Private homes of *Kamnan*/village headmen have been used as de-facto offices. TAO is the newly created local government with the juristic person's status in rural areas, by overlapping the existing administrative units of *Tambon* and villages¹⁰. *Kamnan*/village headmen are allowed to exist in TAO areas. During the transitional period between the first set-up of TAOs in 1995 and the promulgation of 1997 Constitution, *Kamnan*/village headmen served as ex-officio TAO councilors together with elected members from each village in TAO (two members are elected in one village). The first president of TAO was occupied by *Kamnan*. The number of newly established TAOs was 617 entities in 1995, 2,143 entities in 1996 and 3,637 entities in 1997 respectively¹¹. If certain

⁸ This is not the first time for the organization, named TAO, to be established. TAO did exist between 1956 and 1972. However, the number of established TAO was less than 100 places and they were all abolished after 1972 by the Revolutionary Order No. 326. Instead, Tambon Council was established in every Tambon in 1972. District chief officer, *Kamnan*, Medical practitioner attached to the Tambon, village headmen, school master, and several elected members among local residents compose the Tambon Council. The main function of Tambon Council was to prepare Tambon Development Plan. Problem of the Tambon Council was the lack of juristic person's status, which made it impossible for the Tambon Council to implement the budget.

⁹ At least one health center was set up basically in every Tambon. As for schools, normally several elementary schools and junior high schools are established in one Tambon area.

¹⁰ To be precise, if some part of Tambon area was already incorporated into sanitary district area, the jurisdiction of newly created TAO covers only the remaining area of Tambon. Therefore, there exists some gap between the jurisdiction of Tambon area and TAO area.

¹¹ After the promulgation of the 1994 TAO Act, TAO was established at the Tambon under the condition that the average of income of that Tambon during the past 3 years exceeded one hundred fifty thousand Bahts. Before the setting up TAOs, PAO collected local tax, such as housing tax, land development tax, signboard tax etc. in rural Tambon area. These tax bases were transferred to TAOs.

condition was not fulfilled to set up as the TAO, the status of Tambon Council was maintained, with the juristic person endowed¹².)

Secondly, the PAO Act of 1955 was amended to include the jurisdiction area of existing *Thesaban* and sanitary districts. In short, PAO's administrative area was extended to cover the whole provincial area. Now that the PAO becomes the wide-area local government, Thai local government system becomes two-tiers, except for the BMA. Amendment of the PAO Act in 1997 also changed the rule to select the PAO President: PAO president comes from the mutual selection among PAO councilors. This change expelled not only the provincial governors but also all other Interior officials from the management of PAOs. While this change improved the managerial autonomy of the PAO, PAO's service delivery to the local residents became more remote. Formerly, as district chief officers assumed the posts of PAO in district levels, service delivery was made at the district offices. Now that district chief officers retreat from the management of the PAO, PAO cannot use district offices as its branch offices. The tax base of the PAO had been already transferred to the newly established TAOs. This change tremendously threatened the financial basis of the PAO, thus PAO has to largely depend on unstable subsidy from the central government. Though the PAO becomes the second tier wide-area local government, the question has been always beset with the *raison d'être* of the PAO.

Third, the Article 285 of the 1997 Constitution totally prohibited ex-officio members, such as the Interior officials and *Kamnan*/village headmen, to participate directly in the management of the local governments. Not only from PAOs but also from sanitary districts and TAOs were ex-officio members forced to withdraw from the local government offices. As a result, except for 1 abolished entity, 980 sanitary districts were all upgraded to *Thesaban* Tambon (or town municipality)¹³ at the same time. As the result of the amendment of the 1994 TAO Act in November 1999, ex-officio members in the TAO (*Kamnan*/village headmen) could not participate in the management of the TAO any more (the 1997 Constitution's Article 335 stipulates the transitional provision to allow ex-officio members to remain at the post until the expiration of the term of the office).

While 1997 Constitution severely prohibited the direct involvement by the vertical local administrative line in the local governments, the co-existence between vertical local administrative line and local governments was remained intact. While *Kamnan*/village headmen could not manage directly the TAO, they still keep the traditional mandates, such as maintaining the peace and order and enjoying quasi-judicial powers. Furthermore, newly upgraded *Thesaban* Tambon in May 1999 shows very interesting treatments. If this general rule had been applied to the upgrade of sanitary district, *Kamnan*/village headmen were not allowed to stay in the area of *Thesaban*. Therefore, the *Thesaban* Act of 1953 was amended to allow *Thesaban* Tambon (Town municipality) area to co-exist with *Kamnan*/village headmen. In other words, it is only in *Thesaban* Nakhon and *Thesaban* Muang area which force the retirement of *Kamnan*/village headmen¹⁴.

Decentralization Reform immediately after the promulgation of the 1997 Constitution thus focused on the reform of the local government (organizational) system. In short, it intended to enhance the local autonomy by prohibiting the direct involvement of ex-officio members such as the interior officials, *Kamnan*/village headmen. It also aimed to realize the 2 tiers local government system which is composed of wide-area local government (PAO) and basic local governments (*Thesaban* in urban areas and TAOs in rural area).

However, it did not intend to deny the existing roles played by vertical local administration of the central governments. This cautious attitude is well indicated in the case of upgrading the sanitary district to the *Thesaban* Tambon. No alternation was imposed on the existing local government related laws, with respect to the duties and responsibilities and composition of local councils from 1997

¹² Concerning to the installment of the TAOs, please see Nagai (2006). After the amendment of the 1995 TAO Act, most Tambon Councils were amalgamated with neighboring basic local governments (*Thesaban* or TAOs) in the same district.

¹³ *Thesaban* is sub-categorized into 3 kinds, namely *Thesaban Nakhon* (Special City), *Thesaban Muang* (City), and *Thesaban Tambon* (Town). The kind of *Thesaban* differentiates the necessary number of councilors, duties and responsibilities of required mandates. The setting up a new *Thesaban* used to require both population size as well as population density. After the amendment of *Thesaban* Act of 1952, only the population size became the requirement for the new *Thesaban*.

¹⁴ Afterwards, further amendment of the *Thesaban* Act of 1953 allows *Thesaban Muang* area to co-exist with *Kamnan*/village headmen.

through 1999. There are significant differences of duties and responsibilities between the *Thesaban* and the TAO. Generally speaking, while the population registration, formal education at schools, management of health centers are usually provided by the *Thesaban*, those public services are not provided by the TAO. While the number of council members of *Thesaban*, the number of electorates and the number of council members in the electorates are all fixed by the law¹⁵, the electorate unit of the TAO is a village: the number of TAO council members is fixed twice as many as the number of the village in the TAO (There are some exceptions, in case the number of villages in one TAO is less than 3). The per capita expenditure of local government to one resident also shows significant differences, almost 7 times: the average administrative area was quite different between the *Thesaban* and the TAO [Nagai 2008a, 146-147]. Due to the huge difference of administrative roles and geographical conditions between *Thesaban* and TAOs, simple comparison should not be avoided¹⁶. What we can identify here is the consistence of the institutional difference of the local government between urban areas and rural areas until today (Table 2).¹⁷

Table 2 The number of local governments by kinds (as of January 19, 2007)

Kind of Local government	The number of local government	
PAO	75	Set up at every province, except Bangkok
<i>Thesaban</i> (Municipality)	1,162	Requirement for the <i>Thesaban</i> Nakhon needs the population more than fifty thousand residents, <i>Thesaban</i> Muang ten thousand populations or the place of provincial hall. Other places of district offices are designated as at least <i>Thesaban</i> Tambon. Except one case, former sanitary districts were all upgraded to <i>Thesaban</i> Tambon in 1999.
<i>Thesaban</i> Nakhon (Special City)	22	
<i>Thesaban</i> Muang (City)	120	
<i>Thesaban</i> Tambon (Town)	1,020	
Tambon Administrative Organization (TAO)	6,616	Special local governments are directly controlled and supervised by the Interior Minister.
Bangkok Metropolitan Administration (BMA)	1	
Pattaya City	1	
Total Sum	7,855	

Source: Prepared by authors by referring to the website of the Department of Local Administration, the Ministry of Interior (<http://www.thailocaladmin.go.th>) (access on February 13, 2007)

In 2002, Thai government embarked on the decentralization. The process of the decentralization has been hardly smooth as expected. The Decentralization Promotion Act was promulgated in November 1999 and based on this Act, the National Committee of Decentralization (NDC) was established in January 2000. NDC decided the decentralization plan: On October 2000, the Master Plan of Decentralization was recognized by the Chuan Government (1997 to 2001) and on November 2001 the Action Plan was recognized by the Thaksin Government (2001 to 2006). According to these plans, duties and responsibilities, budget and personnel were to be transferred as a

¹⁵ The number of *Thesaban* council members is fixed at 24 members for *Thesaban* Nakhon, 18 for *Thesaban* Muang and 12 for *Thesaban* Tambon. The number of electorates is fixed at 4, 3 and 2 respectively (6 councilors in each electorate). One vote can list up maximum 6 names in the ballot sheet.

¹⁶ There exists a difference of legal interpretation between the local government establishment acts and the 1999 Decentralization Promotion Act. While the duties and responsibilities written in the TAO Act of 1994 and *Thesaban* Act of 1953 are different, those written in the 1999 Decentralization Promotion Act is same. According to one official attached to the Department of Local Administration (DLA), the Council of State interprets that local government establishment acts are superior to the 1999 Decentralization Promotion Act. (Author's interview on October 3, 2014 at the DLA, the Ministry of the Interior).

¹⁷ The number of local government categorized by their kinds has been changing dramatically since 2007, because many TAOs were upgraded into *Thesaban*. Nowadays, there are many *Thesaban* established in rural areas, based on the upgrade from former TAOs (as for the political process of "upgrading" from TAO to *Thesaban*, please see Nagai (2008b)). When the local government survey in Thailand was implemented in 2006, this phenomenon has not started. As of June 20, 2011, the number of local government in each category was 76 PAOs, 2010 *Thesaban* (*Thesaban* Nakhon 27 entities, *Thesaban* Nakhon 145 entities, and *Thesaban* Tambon 1818 entities), 5765 TAOs, BMA and Pattaya City.

package from the central government and its field agencies to local governments basically within 4 years and at longest 10 years. The Decentralization Promotion Act also stipulated the ratio of local expenditures vis-à-vis total government expenditure to be increased at least 20% in 2001 and at least 35% in 2006 respectively [Anek 2000a, 2000b; Woothisan 2001]. Nevertheless, this fiscal target ratio could not be achieved, which forced the amendment of the Decentralization Promotion Act at the end of the year 2006. New fiscal target was reset 25% within the year 2007 and it was easily achieved. As of the fiscal year 2014, the ration is only 27%, much lower than the target goal. The number of transferred duties and responsibilities remained 185, which did not increased since 2006 and the total number of transferred personnel from the central government to local governments was merely 10,000 officials.

Though devolution did not proceed smoothly, there was one significant event in terms of local governance. In late 2003, the PAO Act of 1955, the *Thesaban* Act of 1953 and the TAO Act of 1994 were all amended to allow the local government presidents to be elected directly from local residents. Previously, directly election of mayors was only applied to *Thesaban* Nakhon and Muang (since 1998). This institutional change seems to bring impact on the nature of local governance, because candidates for the local government presidents have to get supports from local residence directly rather than local councilors. Now local government presidents come to be judged by local residents based on their accomplishment or policy platforms, too.

Administrative Capability of the Basic Local Government

In the previous section, we have realized that one of the important structural variables to determine the local capability is the categorical kind of local government (urban local government or rural local government)¹⁸. As mentioned above, the kind of local government is closely linked with the year of establishment and the amount of fiscal resources. Nonetheless, other factors, such as relationship with outside organizations or local residents, could be important in determining the local capability. Before going into the correlation or causal relationship with these factors, we have to argue the important issue, how to measure the administrative capability of local governments.

It is very difficult to determine the ‘capability’ of the local government. The surrounding socio-economic environment differs from one local government to another; issues confronted by each local government are desperately diverse. Nonetheless, the public service expected to deliver to local residents are determined by the kind of local governments. Resources available for the local government to respond to local needs are either legal or financial. Personal capacity of the local government president may be also another important factor to determine the local capability, but this cannot be simply determined by his/her educational and professional background. Suppose the president him/herself possess high capability but cannot keep good relationship with local government personnel or local residents, performance of that local government would not be impressive as a whole. Financial capability itself cannot guarantee the local capability, if it fails to respond to local needs from the residents or fails to be used effectively and efficiently. Decisions of local governments may be autonomous, but it does not automatically guarantee the expected outcomes. Decisions could be made by the local government swiftly. Yet, unless it could not get good cooperation from local residents and/or other organizations, it may not accomplish the expected outcomes. In some occasions it may be more appropriate to contact to the central government or its field agencies and assign them to respond to local needs. These kinds of ‘assignments’ could be considered a part of the capability of the local government.

In our analysis, the number of awards given to the local government in a certain period is employed to measure the capability of the local government.

¹⁸ In this paper, large-area local governments, namely the PAO and the BMA, are excluded from this analysis. There are 3 reasons for this exclusion. First, while the PAO before 1997 was the rural local government, after the enlargement of its area to include urban and semi-urban areas, the PAO nowadays cannot be categorized as a rural local government. Second, there are only 75 PAOs at the time of local government survey and the number of samples is too limited to be used for analysis. And third, in terms of the horizontal relations between PAOs and the delivery of public services to local residents, PAO is quite different from the basic local governments. The reason to exclude BMA is because BMA exceeds far from other local governments in terms of financial scale, human resources, duties and responsibilities. BMA enjoys dual functions that of provinces and *Thesaban*.

There are various kinds of awards given to the local governments in Thailand. Besides central ministries and departments, provincial halls, district offices, and even private organizations evaluate local governments and give awards to local governments. It is quite common in Thai local governments to exhibit shields and trophies at the entrance room of the main office building or inside the president's room. Local governments seem to consider those awards as the proof of their administrative capability. Some awards are given with money (typical case is the "good governance awards" given by the NDC). These awards could be categorized into several groups according to the public policy areas, such as tax collection awards (NDC), good governance awards (NDC), voting rate growth awards (Election committee), promotion of income generation (Community Development Department), Narcotics Suppression Movement (Narcotics Suppression Commission), Promotion of Sanitation and Public Health (Ministry of Public Health), Improvement of Job Environment and Living Environment (Ministry of Public Health), Environmental Protection (Ministry of Environment), Sports Promotion and Protection of Local Culture (Ministry of Culture and Sports, Provincial Halls, district offices etc) , Good Governance on people's participation and transparency (King Prachatipok's Institute) etc. Because of its diversity, even the central government does not grasp exactly how many local government awards exist. There seem at least 200 kinds of local government awards, as long as the local government survey data is concerned.

The fact that the central ministries and departments, provincial halls and district offices give awards to local governments may show the strong interest of the central government and other organizations in the public service delivery and the management of the local government. All these awards are given to the duties and responsibilities of the local government. These awards are not determined solely by the amount of the fiscal budget and/or the educational background of the chief executive and/or local government staffs: it may reflect the degree of efforts by the local government as an organization to improve the quality of public service and residents' life.

Generally speaking, there are two different ways to evaluate the local government: one is based on an absolute scale evaluation and another on competitive evaluation (such as the 'good governance awards' given by the NDC). In case of the national-level absolute scale awards, an application form is disseminated to all local governments in Thailand and those expecting to be evaluated send back the filled-in evaluation sheet to the evaluation organization. Local government awards at provincial and district levels seem to give competitive awards. Methodology of the evaluation looks similar: Staffs attached to the evaluation organization compose the evaluation committee together with invited members from outside, and they conducted both documentary and on-site survey investigation.

There are some local governments which criticize that those award giving is a fixed game, saying that rich local governments are much more privileged, and that award giving cannot evaluate the real capacity of the local government. Nevertheless, as long as present authors' field research is concerned, generally speaking the award-giving seems to be positively accepted by the local government. Considering the variety of the awards and public service delivery to respond to the administrative needs in a limited time and budget constraint, the number of local government awards in a certain period may rather impartially reflect the capability of the local government. In the local government survey conducted in June and July 2006 in Thailand, we have inquired the number of the given awards and their names. We categorized those local government awards into 30 some kinds according to the public policy areas and treated them as variables to evaluate the local government capability.

In summary, it could be interpreted that the more the local government receives awards, the higher the local capability is. Table 3 shows the distribution of the number of awards given to local governments.

In the analysis of Thai local government survey, we should be attentive to the separation of urban local governments and rural local governments. *Thesaban* established before 1999 and TAOs established after 1995 shows striking difference in terms of their experiences as local governments. Therefore, in the following sections, we shall analyze the performance of local governments by separating urban local governments and rural local governments.

Table3 Distribution of Local Government Awards

Number of prizes			(%)
0	1	2 or more	DK,NA
45.9	25.2	20.5	8.4

N=2723

Source: Calculated from the survey data

Establishment year of the Local Governments and Rural/Urban Local governments in Thailand

As is discussed above, there is a distinct institutional difference between urban local government and rural local government in Thailand (the PAO and BMA are excluded from our analysis here). In general, *Thesaban* is considered to be urban local government and the TAO as rural local government.

However, in our analysis, we will redefine this formal institutional setting. Among the TAO, which is classified into large-sized, middle-sized and small-sized, we shall incorporate the large-sized TAO into urban local government. We shall redefine this new category as 'Urban LAOs' (all *Thesaban* and the large-sized TAOs) and the rest of TAOs (middle-sized and small-sized TAOs) as 'Rural LAOs' (Table 4).

Table 4: Urban/Rural LAOs

(%)			
Urban LAOs	Rural LAOs	DK,NA	N
13.9	81.5	4.6	2723

N=2723

Source: Calculated from the survey data

The purpose of this incorporation is twofold. The first is that in many cases the large-sized TAO was set up at the neighboring area of *Thesaban*, which was economically prosperous. It does not sound peculiar for the large-sized TAO to be upgraded into *Thesaban* Tambon or even *Thesaban* Muang¹⁹. The second reason is more practical: to modify the dispersion of the number of samples to some extent.

We consider the establishment year of the local government an important factor to determine the administrative capability of the local government. It is natural to think that the older the local government is, the more experienced it is. The establishment year of the urban local government can be traced back to the older time and the urban local government has richer financial resources. This is exactly true of the TAO. TAO established in 1995 had better financial resources than TAOs established later in 1996 and 1997. Establishment of the TAO even after 1998 was fulfilled because of the increase of the shared tax from the central government; the financial base is much more fragile.

Nonetheless, it is not so simple to arrange the establishment year from the old time to recent time, because the establishment year does not mean the fresh start of public service delivery by that local government. In particular, we must be careful about dealing with *Thesaban* established in May

¹⁹ At the time of conducting local government survey in Thailand between June and July 2006, mass-scale of the upgrading from TAOs to *Thesaban* had not started yet. From 2000 to 2006, there were only 97 cases of upgrading of local governments: 32 cases upgraded from Tambon Councils to TAOs, 22 cases from TAOs to *Thesaban* Tambon, 41 cases from *Thesaban* Tambon to *Thesaban* Muang, and 2 cases from *Thesaban* Muang to *Thesaban* Nakhon. There left around 200 Tambon Councils even after the mass establishment of TAOs between 1995 and 1997. Those Tambon Councils mostly disappeared by the year 2004 as the result of the amalgamation with *Thesaban* Tambon (92 cases) and with TAOs (95 cases). There are other cases of amalgamation, such as amalgamation of TAOs and TAOs (61 cases) and that of TAOs and *Thesaban* Tambon (69 cases). In short, the upgrading of TAOs into *Thesaban* Tambon is very limited, and the existence of Tambon Councils can be ignored in our analysis. The number of figures was taken from the Department of Local Administration, the Ministry of Interior, as of March 14, 2006.

1999. Those new *Thesaban* used to be sanitary districts, which had accumulated administrative experiences to some extent. Elected committee members and clerk of the sanitary district became automatically those of *Thesaban* (vacancy of elected members was supplemented by by-elections). Other newly set-up *Thesaban* after 2000 was mostly former TAOs (this phenomenon has been observed since 2003, but not so common until 2007)²⁰.

Judging from the above, the most fragile local government in terms of fiscal capacity and experiences is the TAOs established in 1996 and 1997. On contrast, the most experienced local government is *Thesaban* set up before May 1999. *Thesaban* upgraded in 1999 comes in-between. In short, there seems a big difference between *Thesaban* established before May 1999 and after May 1999 and between TAOs established in 1995 and those set up afterwards.

Based on this historical and institutional background, we shall divide Thai local governments into 3 groups by the establishment year; the 1st generation(*Thesaban* established before 1995 and TAOs established in 1995), the 2nd generation(TAOs set up between 1996 and 1998), and the 3rd generation (Mostly *Thesaban* set up in 1999 and very small number of TAOs)(Table 5). Based upon this generational category, we will analyze the correlation between the establishment year and the local capability by separating 'Urban LAOs' and 'Rural LAOs'

Table 5 Established year of the Local Governments

Established Year of LGs			(%)	
before 1995	1996-1998	1999-	DK,NA	N
8.1	52.7	13.6	25.6	2723

N=2723

Source: Calculated from the survey data

Relationship between the Local Government and Outside Organizations/Individuals

Besides providing public services to the local residents, Thai local governments keep daily contacts and interactions with various outside organizations and individuals. Through those interactions, local governments may learn the changing local needs, and respond better in providing public services.

It is quite common for Thai local governments to visit other local governments to which local government awards are entitled during the observation tour. For instance, in the field of the environmental protection, advanced measures taken by Lamphun City (Northern Thailand) or Phisanulok Special City (Northern Thailand) were learned by Ko Kha Town (Lampang province in Northern Thailand), which was also imitated by the neighboring local governments. Another example is the garbage disposal policy, which was originally developed by Phisanulok Special City. It was learned by Don Kaew TAO (Chiang Mai province, Northern Thailand), and then further imitated by Khaosamyot Town (Lopburi province, Central Thailand). There is many other examples of policy transmission.

Besides the horizontal level relations among local governments, local government presidents and clerks meet with officials from the central government, NGO/NPO staffs, and intellectuals etc on daily basis. In Thailand, educational career is required to be elected: high school diploma for the TAO president and bachelor degree for the president of *Thesaban* and the PAO respectively. Therefore, bachelor or master degree program for the local government president and its staffs are offered at various places nationwide in Thailand. The Department of Local Administration (DLA) permits certain

²⁰ Since the number of the councilors in *Thesaban Tambon* is fixed as 12, there is a high possibility for the TAO council to decrease its number of TAO councilors after the upgrading to the *Thesaban Tambon*. The number of TAO councilors is the double of the number of villages in that TAO area. Despite of the decrease of the number of councilors or even the abolishment of Kamnan/village headmen, some TAOs decided to seek for the upgrading from the TAO to *Thesaban Tambon* or even *Thesaban Muang* respectively. This is because they believe that they can get more general subsidy allocation from the central government [Nagai 2008b].

part of local government budget to spend for the tuition paid to the special programs mentioned above as the personnel resource development. For instance, University of Khon Kaen was once assigned by the DLA to manage special degree programs for the local government executives and officials. Not only university lecturers but also incumbent interior officials are invited to deliver lectures in these special programs. It is through this occasion that local government presidents can construct their own political networks²¹.

Hypothesis in this section is as follows: the more local government executives meet with outside organizations and individuals, the higher the local capability will be improved. In this context, outside organizations and individuals mean other local government executives, officials from the Interior Ministry, other state bureaucrats attached to the central government agencies (such as school teachers and health center officials), *Kamnan*/village headmen (local residents are not included in our analysis²²).

Regardless of the places, provincial governors, district chief officers, assistant district officers, and officials attached to the DLA often meet with local government executives and clerks. Provincial governors and chief district officers enjoy the mandates to call for meeting. Thus, it is observed commonly that every province hall and/or district office calls convene the local government executives for the monthly regular meeting. The purpose of this kind of meetings is to transmit the important state policies to the local governments. In some cases, governors and district offices ask local government executives for 'assisting' them. Provincial governors and vice governors sometime pay visit to local governments directly to exchange opinions with local residents or participate in the important events or ceremonies held by local governments. DLA officials seem to give advice or suggestions to the daily problems confronted by the local government, such as the management of the local council, the interpretation of the acts and regulations, the implementation of policies etc. In rural area, local governments keep close relations with *Kamnan*/village headmen, who are field agencies of the central administration. As is discussed, in the early stage of the development of the TAOs, both *Kamnan*/village headmen participated in the management of the TAOs directly. Even nowadays, rural residents consult with *Kamnan*/village headmen to solve various problems, such as the public works, keeping peace and order, solving personal disputes among neighbors etc. In case issues are related with the budget, *Kamnan*/village headmen often come to consult with the TAOs. While *Kamnan*/village headmen enjoy the right to call for the village meeting, the TAOs do not. Therefore, when the TAOs formulate the development plans or transmit important policies of the central government, they often ask cooperation from *Kamnan*/village headmen. Some *Thesaban* even invites *Kamnan*/village headmen who don't possess the voting right in the council, and let them be de-facto members of the local council.

It is also quite common for the local governments to interact with neighboring local governments in the same province/district as well as those living far from them. Besides formal regular meeting convened by provincial officers and chief district officers, they have informal local cooperation in such public services as garbage disposal, fire-fighting, flooding prevention and mitigation, etc. Local executives and senior officials also meet with each other through the activities of the Thai Municipal League or Association of Tambon Administrative Organization at the headquarter or their branch offices. Accomplishment is necessary to hold prestigious posts in these national organizations. If introduced in the monthly magazine named 'Local' (in Thai, "*Thongthin*"), issued by the DLA, he/she will be nationally well-known. Those people, who serve at these special posts, may get more new ideas.

Local governments are also paid frequent visit by school teachers and health center officials. Most local governments provide computer-related devices and sports instruments with schools and vaccines and health promotion subsidy with health centers. It is found from our survey data that more than 90% of responding local governments provide subsidy to provincial halls, district offices, primary schools and health centers.

²¹ *Khon Kaen University had 8 branch campuses to manage these special programs. Rajaphat University and the National Institute of Development Administration (NIDA) also have many branch campuses to offer recurrent education to elected members or officials of the local governments.*

²² *In the questionnaires, questions on the frequency of contacts by local residents/residential groups were not included. However, there were many free description answers on the frequent visits by local residential groups (such as youth groups, housewives groups etc.) So we created new variables for the frequent visits by local residential groups and conducted cross-analysis. We find that there is a significance of correlation between the frequency of visits to local governments by local residential groups and the number of local government awards (alternative variables of performance). See Nagai and Kagoya [2011].*

Table 6 shows the frequency of “visit” by the public officials to the offices of local governments. Here, 'visit' means that those people really did pay a visit to the office of the Local governments, specifically to meet with either the president/mayor or the clerks.

Table 6 Visit by Public Officials to LAO office

Visit by Public Officials to LAO office (Answered by LAO President)		a (%)					
		No meetings	Once or a year	Once in 2-3 Months	Once a Month	Several times a Month	DK,NA
Kamnan, Village Headmen		5.3	5.2	14.6	23.0	47.4	4.4
Teachers		3.5	10.5	31.4	20.8	30.6	3.2
Public Health Officials		3.9	9.8	28.9	24.5	29.7	3.1
DLA Officials		15.2	23.9	21.9	20.1	12.7	6.2
District Officers / Assistant Officers		6.6	16.0	22.1	28.2	22.8	4.3
Other LAOs' President		11.6	23.7	28.9	18.1	12.6	5.0
Other LAOs' Clerk		24.6	21.2	26.0	11.7	9.2	7.3
N=2723							

Source: Calculated from the survey data

Based on the Table 6, let's divide respondents into 2 groups by “frequency” of visit. This procedure is made by 4 steps as follows.

First, “many” visits are defined as more than median of respondents on visits by the field agencies and central government officials and as more than once a month on visits by other local government presidents and clerks. On the other hand, “few” visit as less than median of respondents on visits by field agencies and central officials and as less than once per month on visits by other local government presidents and clerks. Secondly, let give scores “1” to those local governments which receive “many” visits and “0” to those which receive “few” visits. And thirdly, let's sum up those scores in 3 categories, namely field agencies, central governmental officials and other local government presidents and clerks. These categories represent similar nature of visitors. And finally, let's prepare average score in each category. This average score represent relational variable of the local government visited by outside organizations and individuals. Table 7 shows the relationship variables in each category.

Table 7 Relationship Variables from Outside Organizations/Individuals

Relationship Variables	(%)					
	Average					N
	0	0.33	0.5	0.66	1	
average1	26.4	18.6	0.7	23.8	30.5	2668
average2	41.0		29.2		29.9	2637
average3	64.1		16.4		19.5	2620

Note: Average 1: Kamnan/Village head, Teachers, Public Health officials

Average 2: DLA officials, District Chief/Assistant Officers

Average 3: Other local government presidents/clerks

Source: Calculated from the survey data

Clerks' Experience at and Controllability of Local Governments

Needless to say, local capability may be determined by the capability of local government bureaucracy. Indeed, there are many factors to determine the bureaucratic capability of local government, including the working culture, fairness of personnel administration, relationship with executives and council members, relationship with local residents, professional capability of each official, and so forth.

However, at the same time, it is very difficult to evaluate the bureaucratic capability of the Local Government as a whole. There are no convenient variables to measure the bureaucratic capability. Nonetheless, we must recognize that the clerk, highest position of local government official, plays a pivotal role in decision making process in his/her local government and give concrete instructions in delivering public services to local residents. The clerk knows various Acts and regulations, prepare the budget and the development plan, and knows the capability of his subordinate officials. We can assume that the more experienced the clerk is, the more capable that local government may be.

In Thai local governments, local officials are allowed to move between one local government and another. Before 1999, the transfer of local officials had been managed by the Department of Local Administration (DOLA). It was quite common for local officials to move every 3 or 4 years. Yet, after the promulgation of the Act of Local Personnel Administration of 1999, the power of local presidents has become very important: without the consent of the president, local officials cannot be allowed to move from one local government to another. Promotion of local officials is nowadays decided by the will of local government presidents.

Therefore, experience as local officials itself does not automatically mean his capability. Experience as local officials at particular local governments may be more meaningful than pure length of his/her experience.

Table 8 Clerk's Experience at Local Governments

Clerk's Experience	(Unit: month)				
	average	SD	min.	max.	N
Months of working as a clerk	112.6	53.1	1	456	2631
Months of working at concerned LG	56.3	39.8	1	300	2653

Source: Calculated from the survey data

Result of Ordered Logistic Regression Model

Based on these explanations on the variables, we have implemented the ordered logistic regression model.

Table 9: Result of Ordered Logistic Regression Model

		B	SD	Wald
/cut	No Prizes	0.741	***	0.232
	1 Prize	2.014	**	0.237
Relationship				
	average1	0.364	*	0.131
	average2	-0.029		0.123
	average3	0.009		0.129
Organization				
	Months of working as palad	0.000		0.001
				0.023

Months of working at O Po Tho	0.003	*	0.001	4.534
Establishment Year				
before 1995	0.271		0.212	1.628
1996-1998	0.418	*	0.191	4.772
after 1999	0.000			
Urban-Rural				
Urban LAOs	1.110	***	0.213	27.110
Rural LAOs	0.000			
Number of obs	1646			
-2LL ChiSquare(df=8)	46.99	(p<0.001)		
Negelkerke Pseudo R ²	0.032			

*: p<0.05, **: p<0.01, ***: p<0.001

From this result, we can interpret this model in following ways.

First of all, our model can explain the capability of the Thai local governments. However, its coefficient of determination is not so high. This may be partly because in this analysis we did not consider other possible variables such as the frequency of visits by local residents/residential groups and fiscal capabilities.

Secondly, we can recognize that the structural variables, namely 'Urban LAO' and 'Rural LAO', are very important.

Thirdly, among the relationship variables, only average1 is effective. Average 1 is composed of Kamnan/Village head, Teachers, Public Health officials. On the other hand, Average 2, which is composed of District Chief/Assistant officers and DLA official, is not effective. This suggests that it is horizontal relationship, not supervision relationship that may determine the local capability.

Fourthly, the establishment year of the local government proves a determinant factor of the administrative performance to some extent. The importance of the establishment year might reflect the accumulation of experiences of the local government and/or the scale of the financial scale.

Fourthly, we could recognize that the relation between the local government with the outside organizations and individuals is important to determine the performance of the local government. Fifthly, clerk's experience as a proxy variable of bureaucratic capability, is partly effective.

Conclusion

From the result of the 2006 Thai local government survey analysis, there are further implications for the decentralization and local governance in Thailand.

First of all, while decentralization in Thailand has tried to strengthen basic local governments (Thesaban and the TAOs), horizontal relationship between local governments and field agencies seems to be very important in local governance. While this survey was conducted 8 years ago, this tendency does not seem to be changed.

Secondly, the interaction between local governments and central government agencies (district chief/assistant officers and DLAs) was not significant in deciding the local capability. This suggests that as the result of gradual decentralization in Thailand since 1994, local governments have become more independent in deciding their policies.

Thirdly, the difference between "Rural" and "Urban" local governments was very important in the Thai local government system in terms of the local capability. This strongly suggests that this kind of structural difference should be minimized as much as possible wherever local residents live in Thailand. However, this situation has become more complicated because of the upgrading of TAOs to Thesaban.

Lastly, while our model can explain the capability of the Thai local governments, many other variables should be inquired, such as the interaction with local residents/residential groups, allocation of financial resources in each local government and among local governments. This paper shows just the start of the scientific research of Thai local governments based on the survey results.

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Decentralized Local Governance in Asian Region: Good Practices of Mandaluyong City, Philippines

(26)

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Abstract

Decentralization in the Philippines began in 1991. In the 23 years since the passage of the local government code of 1991 (RA 7160), it can be argued that the local government units have been able to adapt to their expanded devolved powers. There are elected local chief executives who have exemplified excellence in the use of their powers and become model leaders of the rest of the world.

Decentralization is important, as remarked by former Sen. Aquilino Q. Pimentel Jr.¹ as it brought the government closer to the people. With effective decentralized system, the local government unit are empowered to modernized and develop their community. Fundamentally, it is a process of making governance at the local level more responsive to the felt needs of the large majority of the population.

All local government units are set for the 2015 ASEAN integration to be held in the Philippines. This will be a region wide phenomenon and its effects will have a great impact to individual LGU in our country from the provincial, to the cities, municipalities and down to the barangay (village) level.

One highly urbanized city at the heart of Metro Manila that experienced the positive gains of decentralization is Mandaluyong City. This paper analyses the process of decentralized Governance in Mandaluyong City in four areas of development. The first area is Decentralization and Economic Growth. The second is Decentralization and Environmental Protection. The third is Decentralization and Social Services. Finally, the fourth is devoted to Decentralization and Infrastructure.

Keywords: Decentralization/ Local Governance/ Good Practices/ Mandaluyong City/ Philippines

Introduction

For more than two decades decentralization has been the dominant trend in central-local relations in Asia. The starting point was the 1991 Local Government Code in the Philippines that followed “people power” democratization. This legislation introduced significant political decentralization into a country that had undergone considerable centralization under the authoritarian regime. Functions were transferred to provincial, city and municipal administrations. The Philippines provided both a model and inspiration to other countries in Asia where centralization had been the dominant themes across the continent.

Decentralization is defined by United Nations Development Program (UNDP) as “ *the restructuring or reorganization of authority so that there is a system of co-responsibility between institutions of governance at the central, regional and local levels according to the principle of subsidiarity, thus increasing the overall quality and effectiveness of the system of governance, while increasing the authority and capacities of sub-national at all levels*”.

Robert Ebel (2001) points out in view of decentralization: “The western world sees decentralization as an alternative to provide public services in a more cost-effective way. Asian countries are pursuing decentralization reforms to counter economic inefficiencies, macroeconomic instability, and ineffective governance”.

Decentralization is increasingly being pursued in several Asian local countries signifying a region-wide trend of democratization and governance. For example, in Thailand, constitutional provisions were enacted that promised considerable decentralization but implementation was slow in

¹ *Former Sen. Aquilino Q. Pimentel Jr. , Father of the Local Government Code of the Philippines. Former Senate President of the Philippines*

coming. In Cambodia, the achievement of political stability at the end of the 1990s encouraged the government to introduced modest programs of political and administrative decentralization. By contrast, in Indonesia the Asian Financial Crisis led to the overthrow of the authoritarian New Order regime and gave the political space to the interim government to introduce a radical “big bang” political decentralization involving the devolution of most service delivery functions and the accompanying finance to democratically elected local governments. (Mark Turner, Asian Review of Public Administration, Jan.-Dec, 2012)

DECENTRALIZATION EXPERIENCE IN THE PHILIPPINES

To have a clear perception of how decentralization operates in the Philippine politico - administrative setting, it is deemed relevant to make a brief presentation of the passage of the Local Government Code, the political character, organization structure and functional operation and fiscal administration of the local government.

Local Government Code

In 1991, a Local Government Code was enacted in th Philippines. It was by far the most radical and far-reaching policy that addressed the decades-old problem of an overcentralized politico-administrative system, where the most significant political and administrative decisions were made in Manila. The promulgation of the Code was in accordance to a provision in the 1987 Constitution that declares that “the state shall ensure the autonomy of local governments.”

The enactment of the Code was welcomed by most sectors of society. It finally transferred to the local government units the responsibility for the delivery of basic services, including appropriate personnel, assets, equipment, programs and projects.

The following are the major features of the Code:

- (a) It devolves to local governments units the responsibility for the delivery of various aspects of basic services that earlier were the responsibility of the national government. These basic services include the following: health; social services; environment; telecommunications services and housing projects.
- (b) The Code also provides the legal and institutional infrastructure for expanded participation of civil society in local governance. More specifically, it allocates to non-governmental organizations (NGO) and people’s organizations (POs) specific seats in local special bodies. These special bodies include the local development council, the local health board, and the local school board. Because of their ability to organize and mobilize the people, one door-wide open for NGO and PO participation in governance are in the areas of promoting local accountability and answerability, specifically through the recall and people’s initiative provisions.
- (c) The Code increases the financial resources available to local government units by broadening their taxing powers; providing them with a specific share from the national wealth exploited in their area (e.g. Mining, fishery and forestry charges) and increasing their share from the national taxes, internal revenue allotment (IRA) from previously low at 11% to as much as 40%. The Code also increases the elbow room of local governments to generate revenues from local fees and charges.
- (d) Finally, the Code lays the foundation for the development and evolution of more entrepreneurial oriented local governments. For instance, it provides the foundations for local governments to enter in build-operate-transfer (BOT) arrangements with the private sector, float bonds, obtain loans from local private institutions, etc., all within the context of encouraging them to be “more business-like” and competitive in their operations in contradistinction to “traditional” government norms and operations. (Source: Local Government in the Philippines: Book of Readings)

Local Government System in the Philippines

Local government may be defined as a political subdivision of the state endowed with authority to manage local affairs and vested with a political power to tax. The Philippines is a unitary state consisting of 80 provinces, 1,492 municipalities, 142 cities and 42,027 barangays as political subdivisions. The first tier in the local government hierarchy or at the subnational level is the province; at the next lower level are the municipality and the city, and the lowest tier is represented by the barangay or village which directly interacts with the grassroots- people in the community. A province, city or municipal government is structured somewhat like the national government in that: it has a local legislative branch, the Local Council, whose members are directly elected by the electorate in the province, city, or municipality, as the case may be, and which is responsible for the above-stated passage of ordinances and resolutions; and, it has the local executive, represented by the provincial governor, city or municipal mayor, as the case may be, who also directly elected by the voting population of the locality and who is responsible for executing local legislation and administering public services at the local level. The barangay or village is the smallest local government unit and is headed by the village chief who is elected with the village councilors. The Village chief enforces all laws and ordinances applicable to his or her constituencies. Village are also public corporations and therefore can be sue and be sued in court, enter into contracts, acquire and hold all kinds of property, and exercise such power or perform such acts as provided by law.

Sources of Income and Revenue

Local governments have common sources of revenue and income as well as respective revenue raising powers. These are empowered to derive income and revenue from: local taxation; rentals and charges for the use of public property and resources within local jurisdictions; earnings from local public enterprises and utilities; permits and licenses issued for establishments and operation within local boundaries; charges and fees for local government services and activities. They are also entitled to: stipulated shares from internal revenue collections or collections of national taxes and shares from the proceeds of the utilization, exploitation, and development of the national wealth (natural resources, mines, and mineral within their jurisdictional areas..

Structure of Local Governments in the Philippines

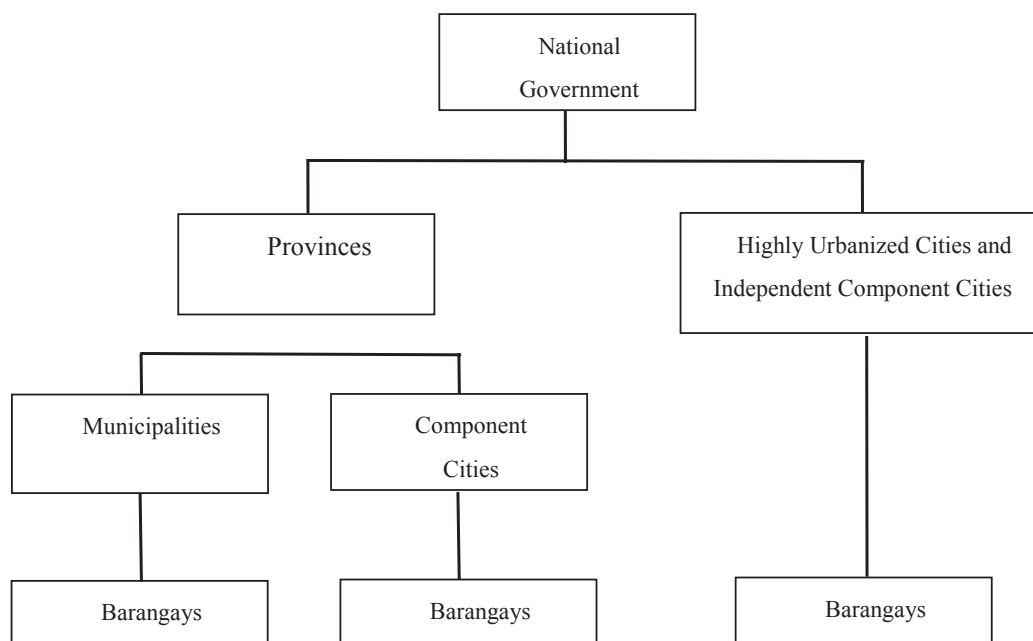




Figure 1 Map of ASEAN Countries

source: http://i395.photobucket.com/albums/pp40/ssa_admin/FASA/south_east_asia_maprevised.jpg

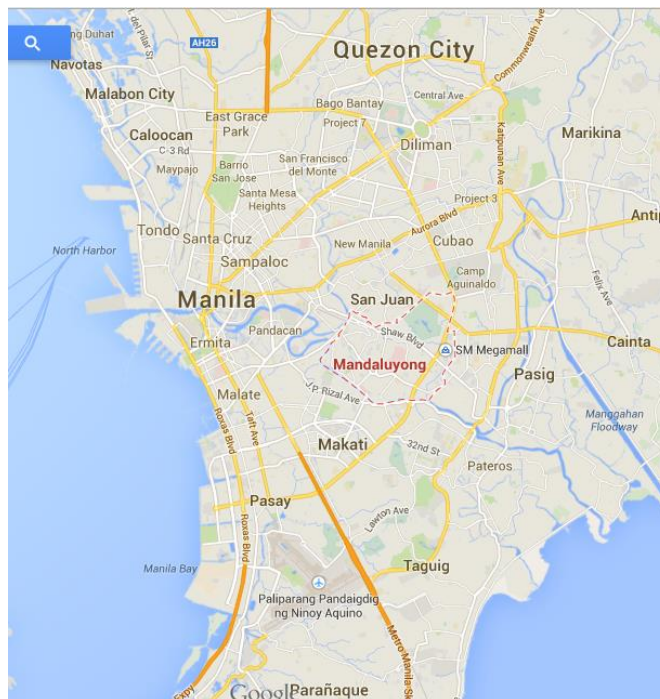


Figure 2 Map of National Capital Region/ Source; Google Maps

Local Governance in Mandaluyong City: An Overview

Historical Account and the Present Political Context

There are different stories on the origin of the ancient name “Mandaluyong”. One claimed that the Spaniards named the place Mandaluyong based on the report of what a navigator named Acapulco saw that the rolling hills were frequently lashed at by daluyong (“big waves from the sea”). This seems to give credence to traditional stories before the coming of the Spaniards that giant waves from the sea lashed at the adjoining hills of the vast lowland, referred to as “Salpukan ng Alon”. Father Felix dela Huerta, observed that the rolling topography of this land resembled giant waves of the sea. Hence, natives replying to the question of strangers as to what the place was called, used to answer Mandaluyong, later hispanized by Spanish writers into Mandaluyong by affixing the “n” to the first syllable.

In the 1800, Mandaluyong was first known as a barrio of Sta. Ana de Sapa which was part of the District of Paco, Province of Tondo. Named San Felipe Neri by the Spaniards in honor of the Patron Saint of Rome, it was separated civilly from Santa Ana de Sapa in 1841.

During the American regime in 1900's San Felipe Neri was raised to a first class municipality with five (5) barrios, namely, Poblacion, Barangka, Hagdang Bato, Namayan and Hulo. Under Presidential Act No. 942, it was consolidated with the municipality of San Juan del Monte and became the seat of government. For several months in 1904, San Felipe Neri became the capital of the province of Rizal. San Felipe Neri was separated from San Juan and became an independent municipality on March 27, 1907. It was renamed the Municipality of Mandaluyong by virtue of House Bill No.3836 which was authored and sponsored by Assemblyman Pedro Magsalin, then the Representatives of the District of Rizal.

During World War II, Mandaluyong lost many of her people, among them were Catholic priests and civilians. Destruction was felt all over, but with the timely arrival of the American Liberation Forces on February 9, 1945, the municipality was saved from further damages. That day became a red calendar day for Mandaluyong marking its liberation from Japanese imperial forces by the Americans.

In the 60's, Mandaluyong became a component municipality of Metropolitan Manila. Together with other component cities and municipalities, it has undergone significant physical and economic transformation. From a forestal town to a progressive municipality. Mandaluyong is now a highly urbanized city known to host most of the country's best companies and corporations, shopping malls and hotels which are certainly world class in status.

Mandaluyong and the municipality of San Juan used to be represented in Congress by a single Congressman. As it entered a cityhood in 1994, Mandaluyong became a lone district with its own Representatives in Congress.

Mandaluyong has come a long way from being a forested rolling hill to a bustling city of vibrant economic activities. In 2003, Mandaluyong was named the new tiger city of Metro Manila, among other accomplishments.

Demographics

Mandaluyong today is composed of 27 barangays divided into two political districts mainly by Boni Avenue and G. Aglipay Street. The City has a total population of 334, 188 in 2011 with a total of 71,301 households.

Decentralization and Economic Growth

On the facet of development, despite its size, Mandaluyong recorded for the whole year period of 2013, the city generated from the Business sector alone a record breaking income of P/ 1,302,362,831.48 Billion (US\$29,122,603.57 Million dollars)

Compared to business income of 2011 which was only 955,885,082.91(US \$21,374,890.05) and 1,131,590,302.48 (US \$ 25,303,897.64) of 2012, the difference of PHP 346,477,748.57 (US \$7,747,713.52) from the 2011 benchmark represents 36% increase and 18% increase if compared with the 2012 business income.

It can be concluded that contributory to the increase is the fact that there had been 2,910 new business enterprises that established in the City for 2013 alone and a total of 8,049 Registrants since 2011. This provides us a clearer picture of the confidence of the business sector in the general potential of Mandaluyong City when it comes to trade and commerce.

Business Tax Collection for January 2014 alone

For the month of January alone since 2011, we can observe a steady rise in the collection of the Business permits and Licensing Office. From PHP 512,739,811.16 (US \$11,465,559.28) of January of 2012 to PHP 584,614,122.68 (US \$13,072,766.61) of 2013, the city was able to collect this January alone some PHP 670,278,309.50 (US \$ 14,988,334.29) or an increase of 14.65% increase from last year.

This maybe derived from the fact that the declaration of Gross income of companies and the number of new business reistrants in the city continuously grow through the years,proving that business is thriving in Mandaluyong.

Total Collection from the Business Sector for January of 2011-2014

2011	2012	2013	2014
January 1-31	January 1-31	January 1-31	January 1-31
420,162,218.00	512,739,811.16	584,614,122.68	670,278,309.50
US\$ 9,395,398.43	US\$ 11,465,559.28	US\$ 13,072,766.61	US\$ 14,988,334.2

Business Awards and Citations

Most Business Friendly City in the Philippines- Because of the untiring pursuit of excellence, Mandaluyong City was named and awarded as the Philippines” Most Business Friendly City for 2013 (Highly Urbanized City Category), awarded by the Philippine Chamber of Commerce ad Industry (PCCI), a respectable group of businessmen in the country

Ranked 2nd Best City in Metro Manila based on the City’s Performance on Locally Generated income published in The Philippine Star on April 6, 2013 by the Bureau of Local Government Finance- Department of Finance. Mandaluyong City was recognized because of its ability and competence in Creating Own Revenues.

Realty Taxes

Business is not the only driving force that enriches the local treasury, there is also the increasing collection from the Realty Taxes.

From the 2011 benchmark collection, there was only PHP 813,000,000 (US 18,179,785.33). In 2012 the realty taxes collection had increased PHP 878,257,074.73 (US 19,639,022.24)

Annual Collection Performance on Realty Taxes (2011-2013)

Total Collection 2011	Total Collection 2012	Total Collection 2014
PHP 813,000,000.00 (US\$ 18,179,785.33)	PHP 878,257,074.73 (US\$ 19,639,02.24)	PHP 917,497,754.05 (US\$ 20,516,497.18)

Despite the significant decrease in the Internal Revenue Allotment for Cities and the continue to rise. The city of Mandaluyong continue to rise. The total revenues in 2011 was PHP 2,280,320,776.87 (US \$50,991,072.82). In 2012 the city was able to generate some PHP 2,432,167,332.69 (US \$54,386,568.26) The City's revenues for 2013 is PHP 2,704,049,773.67 (US\$ 60,466,229.29).

Decentralization and Environmental Protection

Although Mandaluyong City has been doing well in the business front, they believe that sustainable development can occur if they are focused on addressing concern for the environment. The City Government wanted Mandaluyong to be a progressive city with clear air and healthy environment leading toward a more ecologically-sound community of empowered Mandalenos through constituent-responsive leadership. The City introduced the City Green Initiatives like the promotion of pro-environmental projects like the use of electric tricycles which are zero - emission vehicles. These e-trikes are availed through the grant from the Asian Development Bank. This ensures a more environment- friendly surrounding, protecting the health & general well-being of everyone, particularly the children. There is also an underpass solar powered LED lighting project. In the face of climate change, the City Government has taken the lead in partnership with the International Finance Corporation (IFC) to set the framework for future structures and skyscrapers in the City. Green Architectures will rise in that City that utilize only renewable resources. The project will focus on performance in the following areas of energy efficiency, water efficiency, materials and waste management, site sustainability and indoor environmental quality. There is also the creation of Green space or park development.

Decentralization and Infrastructure

- (a) The City Government converted a dirty, congested public cemetery into an environment-friendly and income generating facility. The cemetery is now known as Garden of Life Park and it is a "one -stop-shop", a project that entailed a 4-C approach- i.e. Cemetery, columbarium, crematorium, and chapel rolled into one. By transforming the cemetery into a park, the LGU also dispelled the notion that a cemetery is an eerie place. It has practically become an eco-tourism facility, with visitors coming from Laos- PDR, Korea, Australia,
- (b) Mandaluyong City entered to a partnership with the private sector through Build- Operate -Transfer (BOT) mode and has now constructed a public market that has approached a world class standards.
- (c) A proposed 1.5 Billion elevated Guideway Transport System project for secondary roads will soon to rise in Mandaluyong City in the likes of prime commercial districts around the world such as in Singapore and Hongkong.

Decentralization and Social Services

- (a) The local government of Mandaluyong City spearheaded the conceptualization and implementation of Project Therapy, Education and Assimilation of Children with Handicap (TEACH). This is a community-based program that directly benefits youth with disabilities residing in depressed areas. By providing children special needs access to a network of free medical, rehabilitative, educational and related services, Project TEACH helps enable them to become integrated and productive members of society.
- (b) Mandaluyong's Public Employment Service Office (PESO) continues to solicit job vacancies from different private companies for job seekers of the City.
- (c) From Womb to Tomb, the City Government of Mandaluyong ensures that all children are well-taken care of as early as from the time the mother gets pregnant. Literally and figuratively speaking, the mother and the babies inside her womb enjoy intensified health and nutrition programs.
- (d) Bringing government closer to the community. Every Saturday, services that are normally availed by the constituents at the city hall are made available at the villages. Distribution of free assistive devices, eye-glasses, vitamins & medicines and cleft palate surgery for children are regular activities in the medical/optical/dental missions.
- (e) The Health Department of the City Hall deliver free services to a growing number of residents seeking free medical services.
- (f) The Mandaluyong City Medical Center continues to execute its task to deliver efficient and better hospital care and services to the less privileged.
- (g) Mandaluyong City invested heavily in education with the construction of school buildings, improvement of facilities, hiring of more teachers and acquisition of more books for the students.
- (h) The City Government program on Land for the Landless and Home for the Homeless provided not only dwelling places but decent homes for the less privileged families.

Lessons Learned

The following are some of the lessons learned regarding the decentralized local governance in Asean Region, as drawn from the experience of Mandaluyong City

- (1) Decentralization is primarily a political process, it will not be successful unless adequate provision is made to finance the devolved or deconcentrated functions.
- (2) Broad participation is needed for the decentralization process to be successful. Private sector should be recognized as a critical partner in the process. Decentralization can facilitate empowerment and encourage creative local solutions.
- (3) NGOs and POs can contribute much to Good Local Governance in the City. However, they should be given a proper orientation and education as to their role as partners rather than adversaries of government.
- (4) Local elections in the Philippines are usually decided on the basis of personal or political party loyalties. People vote for a mayor whom they know, a member of their group or a party they like. Local elected mayors satisfy local preference.
- (5) The term of office of the mayor is only three years. Once a newly elected mayor assumed office, the tendency is not to continue the good programs and projects of the past administration.

- (6) Decentralization maybe accompanied by more corruption. There are opportunities for corruption at the local level.because they are subject to pressing demands from local interest group.
- (7) The experience of other local government units is replete with innovations. ASEAN countries need to share their good practices and learn from each other success stories.Conferences such as this served as a venue to learn and update themselves with reform in public administration and governance
- (8) It is imperative that Local Government Code in the Philippines needs a comprehensive and objective assessment. We need to evaluate all major dimensions of reforms in terms of objectives, policies, rationales and actual outcomes.

Conclusion

Local Government is a decentralized set-up requires a combination competent leadership, a shared community vision, and empowered citizenry and a prevading sense of partnership with business sector.

During the watch of Mayor Benjamin Abalos, he sparked the city's transformation from a sleepy town to a progressive city now called " Tiger City of the Philippines". He took full advantage of the opportunities opened up under the Local Government Code. The City Government of Mandaluyong did not try to be the best in just one area, rather he strived to be the best in all areas of local governance like in Economic Development, Environmental Protection, Infrastructure and Social Services and because of this the City reaped awards and recognitions

- Most Business Friendly City in the Philippines for 2013
- Ranked 2nd Best City in Metro Manila on 2013
- Grand Slam Winner: Green Banner Award for 3 Consecutive Years (2010-2012) for innovative Health and Nutrition Program
- Project TEACH: Winner of Galing Pook Award 2012
- Garden of Life: Winner of Galing Pook Award 2012
- Best in the Philippines: Manpower Training School and Program 2013
- CROWN Award: Excellence in Nutrition Programs Implementation 2013

It is evident that in Mandaluyong City, decentralization is working and that local autonomy has brought about creativity and innovation. Within the context of improving the structure of governance, many other ASEAN Regions have opened up their politico- administrative systems. Decentralization has enabled the local government units to become more competitive by providing opportunities to participate in international markets, enabling them the opportunity to seriously "think global" yet continue to act local. And now, I can say that Mandaluyong City has adopted the international outlook and ready for ASEAN Integration.

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Do Mayors' Orientations affect Performances? Empirical Evidence from a Local Government Survey in the Philippines

(27)

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Abstract

Since Local Government Code 1991 was enacted, we have observed various efforts for decentralization in the Philippines. Two main purposes of decentralization are democratization and the promotion of efficient and effective implementation of local public services. The former involves citizen oriented governance mobilizing people's participation while the latter often utilizes leadership oriented governance with political will of mayor.

Therefore there are many case studies on the citizen oriented local governments as well as the leadership oriented local governments which show us the different factors for the improvement of the performance of the local governments in their respective unique concepts.

In this paper we will analyze general characteristics of local governance in the Philippines based on the social survey and the statistical theories. For this purpose, we had conducted an interview survey on randomly selected 300 local governments and we collected data from all the respondents with 100% response rates.

And we will explore two questions utilizing two-way analysis variance. One is which one shows higher performance among two types of local governance above-mentioned. The second one is to examine if there are differences of correlation between the type of governance and performance among 3 island groups – Luzon, Visayas and Mindanao.

Keywords: Local Government Survey/ Decentralization/ Local Governance/ Philippines

Introduction

Traditionally, mayors in the Philippines have been described by concepts of patron-client (Lande 1965; Anderson 1988) and of weak state (Migdal, 1988). In these concepts, mayors are depicted as “patrons” who develop reciprocal personal relationships with constituents and exchange benefits and political supports with them or “bosses” who use coercion and prerogatives derived from their political positions to control constituents and seek their personal interests instead of providing public services (Sidel, 1999). Their political behaviors are criticized as rent-seeking (Mckoy, 1994).

However, since Local Government Code 1991 was enacted, we have observed various efforts for decentralization in the Philippines. Two main purposes of decentralization are democratization and the promotion of efficient and effective implementation of local public services. The former involves citizen oriented governance mobilizing people's participation while the latter often utilizes leadership oriented governance with political will of mayor.

And the Philippines developed evaluation systems of good local governance, such as Local Governance Performance Management System (LGPMs) of Department of the Interior and Local Government (DILG) and Galing Pook Awards of Galing Pook Foundation. Under these circumstances more local governments are involved in the endeavor for efficient and participatory governance.

Therefore there are case studies on the citizen oriented local governments as well as the leadership oriented local governments which show us the different factors for the improvement of the performance of the local governments in their respective unique concepts.

For example there is a famous case study on Naga City which operates people's council for policy making, implementation and evaluation. In fact, Prof. Abinales points out that “The participation of NGOs and POs has been conspicuous and there is the development of the coalitions between sectoral representatives and younger generation of some political clans” (Abinales & Amoroso 2005: 251) and “in urban areas, “popular forces” such as NGO/PO have successfully compelled local

government officials to implement social welfare programs” (Abinales, 2005, p.137). As one case study summarizes, “the tripartite relationship between concerned community, NGO and local government” can achieve political goal effectively in some cases. (Holden, 2012, p.175)

There are also observations of efficient public management such as efficient tax collection of Quezon City under the leadership of Mayor Belmonte (Belmonte, 2002) and an effort for efficient operation of public market under the scheme of Public-Private Partnership in Mandaluyong City (Celestino, 2002).

In this paper we will analyze general characteristics of local governance in the Philippines based on the social survey and the statistical theories. For this purpose, we utilize the results of an interview survey on randomly selected 300 local governments (municipalities and cities) in the Philippines.

And we will explore two questions utilizing two-way analysis variance. One is which one shows higher performance among two types of local governance above-mentioned. The second one is to examine if there are differences of correlation between the type of governance and performance among 3 island groups – Luzon, Visayas and Mindanao.

Data

We conducted a survey “2011 Local Government Survey in the Philippines: Local Capability and Decentralization.” Shortly, 2011 Local Government Survey in the Philippines (The principal investigator was Fumio Nagai, Osaka City University). The survey was implemented by Social Weather Stations (SWS) in the Philippines (see Kobayashi et al 2013 for details).

We interviewed a mayor and a planning/development officer at each local government. We used a questionnaire for mayors and that for officers. Only nominated persons can answer to the questionnaires. Most interviews were conducted face-to-face. In very few cases, they were interviewed via telephone and self-completion, given limited schedules of respondents. Questionnaires were written both in English and Tagalog. Still, all respondents used English.

Mayors were asked from October 12, 2011 to November 27, 2012. Officers were from October 12, 2011 to April 19, 2012.

The population was 1,515 local governments in 16 regions in 78 provinces of February 2, 2011. Out of all the 1,591 governments in 17 regions in 79 provinces, we excluded 76 governments in 2 provinces in Autonomous Region in Muslim Mindanao (ARMM) due to their political instability (Magindanao province belongs to both ARMM and the other). The population consists of 135 cities and 1,380 municipalities; 771 governments in Luzon, 336 in Visayas, and 408 in Mindanao.

We used a representative sample of 300 local governments in 16 regions in 71 provinces. It consists of 93 cities and 203 municipalities; 170 governments in Luzon, 67 in Visayas, and 63 in Mindanao. No substitution was allowed.

A systematic random sampling was used. All the 1,515 governments were numbered from the north to the south. Then, 300 governments were selected at even intervals, based on their population sizes. The interval was 236,500 residents. To simplify sampling, we did not use information of land sizes and income levels of governments.

We had 300 respondents and 100% response rates for both mayors and officers. The sample contains one fifth governments of the whole country. Yet it covers more than half the residents of the nation. Cities are overrepresented in the sample because of their large population sizes. The sample mostly maintains proportions of governments and residents by island groups.

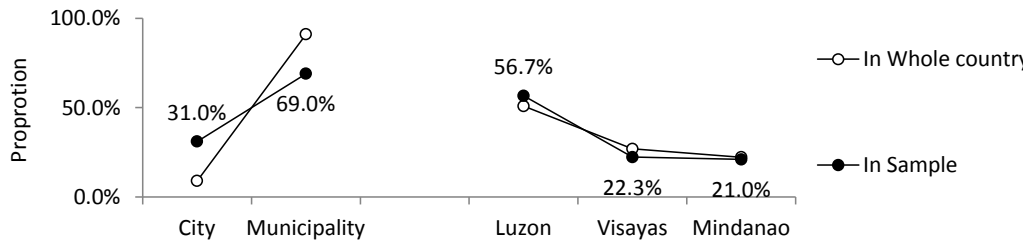


Figure 1. Comparisons of Whole Country and Sample (N=300)

Descriptions

1. What Style of Governance Do Mayors Prefer?

Firstly, we see the result of the question about the mayors' idea on good local governance (Figure 2). We asked "in your opinion, what is good local governance?" Options were "to implement projects with lower cost and faster speed" or "to satisfy as much as the widest range of constituents regardless the cost and speed of project implementation."

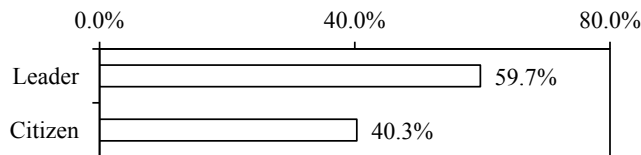


Figure 2. Mayors' Idea of Good Local Governance (N=300)

From Figure 2, we see that 179 mayors (59.7% of 300 mayors) consider pursuing efficiency (leadership oriented governance) to be good governance and 121 mayors (40.3%) think that attending to the needs of a widest range of constituents (citizen oriented governance) is good governance.

This is also proven by the result from the question on the important elements for good local governance (Figure 3). We asked "what do you think is the most important element for good governance?" in a multiple choice. Options were "strong political will of the chief executive," "to activate the people's participation," "enhancement of the organizational capability of local government," and "strengthening the network with other political figures such as congressman."

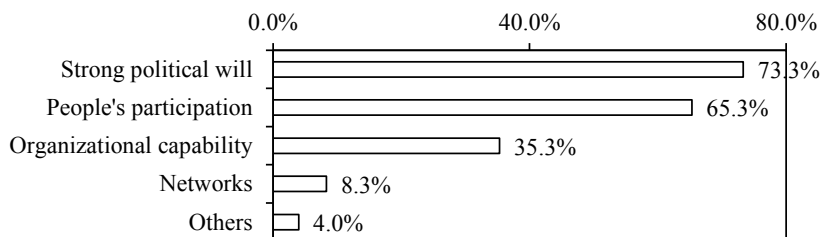


Figure 3. Important Elements for Good Local Governance (N=300, multiple answer)

Figure 3 shows that more than two third of the mayors think that strong political will is important for good local governance followed by the peoples' participation. On the other hand, quite a small number of them consider the strengthening of political networks as an important element for good local governance. Therefore leadership oriented governance as well as citizen oriented governance are the focal points of analysis.

We also see the distribution of the type of governance by island group – Luzon, Visayas and Mindanao. Figure 4 shows that there are no significant differences of proportion of citizen oriented mayors by island groups.

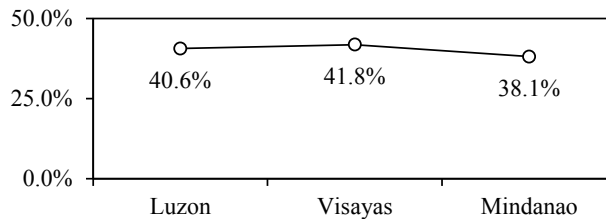


Figure 4. Percentage of Citizen Oriented Mayor by Island Group (N=300)

2. Four Indices of Performance

Here we explore two questions related with local governance in the Philippines. One is which type of governance between leadership oriented and citizen oriented shows higher performance of the local governments. The other is whether there are any differences of interactions of mayors' orientations and island groups (Luzon, Visayas, and Mindanao) on performance.

So, our independent variable is mayors' orientations: Citizen oriented or leadership oriented. If a mayor answered "implementing projects with lower cost and faster speed" as good local governance, we regarded the answer as leadership oriented. If he answered "satisfying as much as the widest range of constituents," we consider it to be citizen oriented.

Our dependent variable is based on performance indicators of Social Governance from the Local Governance Performance Management System (LGPMs) in 2010 by the Department of the Interior and Local Government. These indicators include fields of (i) Health Services, (ii) Education Services, (iii) Peace, Security, and Disaster Risk Management, and (iv) Housing and Basic Utilities. LGPMs uses a five-point scale to evaluate the performance of local governments. Point 5 means the highest performance and 1 the lowest.

Distributions of performance in each area are shown in Figure 5. In all four areas, performance concentrates on points 4 and 5. Most peaks are 4. Means are 4.7 in health, 4.4 in education, 4.3 in peace, and 3.5 in housing.

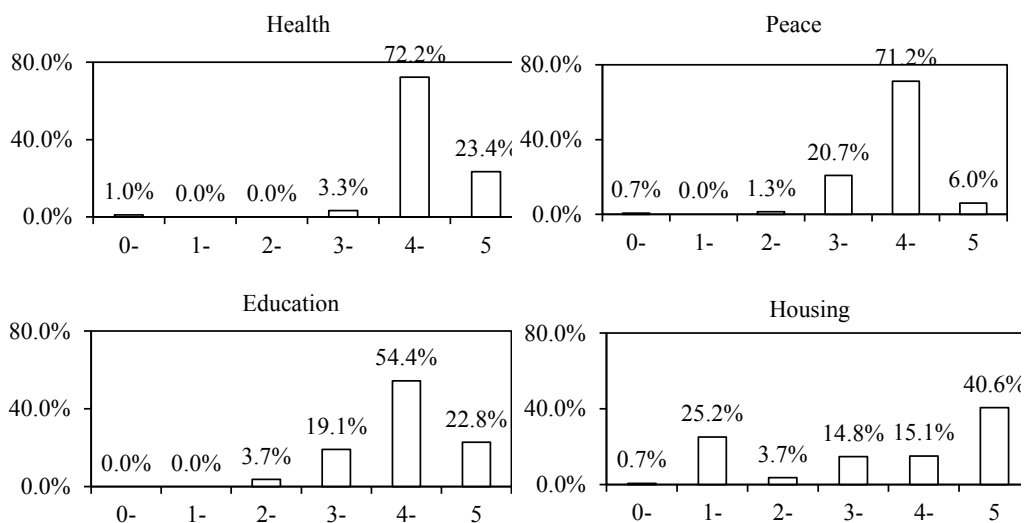


Figure 5. Distributions of Performance (N=300)

As the group variable, we focus on three island groups: Luzon, Visayas, and Mindanao. With these variables, we will compare if there are any differences of performance between citizen oriented governments and leadership oriented ones and among three island groups. We use two-way analysis of variance (ANOVA).

Results: Do mayors' Orientations Affect Performance?

1. Comparisons by Islands and Orientations

Compare performance by islands and by types of orientations. We find that there is a difference in education at 5% significant level among islands (Figure 6, left). Luzon has significantly higher performance in education.

However, there is no significant difference by the governance type of mayors (Figure 6, right). Both citizen oriented mayors and leadership oriented ones have almost same performance.

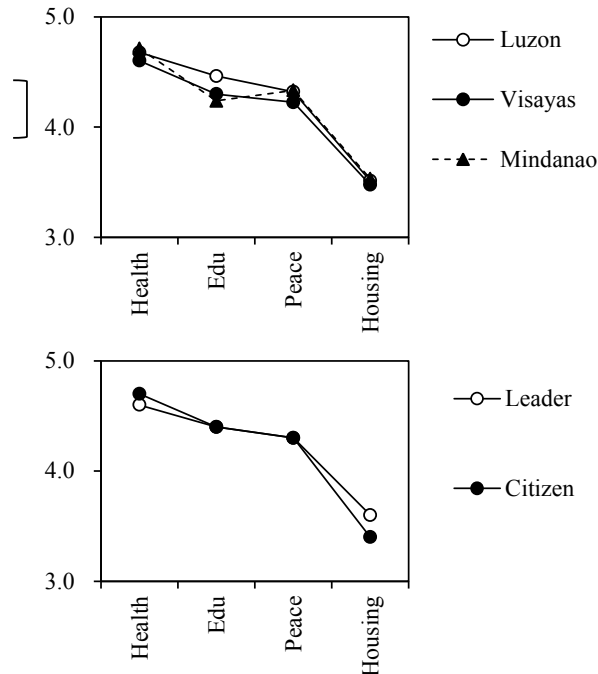


Figure 6. Mean Performance by Islands and by Orientations (N=300)
Note: Parentheses show significant differences in ANOVA tests ($p < .05$)

2. Interactions

Then, compare effects of interactions of orientations and islands on performance. Figure 7 shows the results. In Visayas islands, citizen oriented governments show generally higher performance than leadership oriented ones. These interactions are statistically significant in the areas of health, education, and Peace (when comparing Visayas to Luzon and Mindanao).

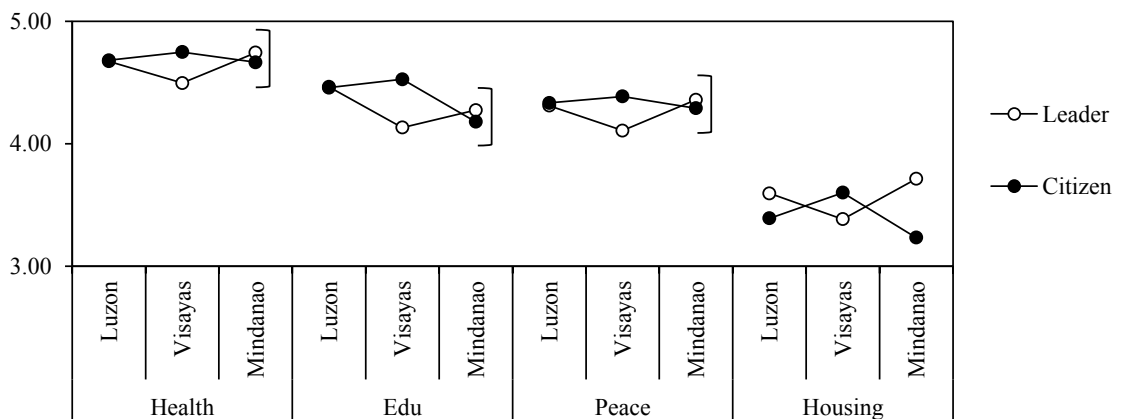


Figure 7. Men Performance by Islands and Orientations (N=300)
Note: Parentheses show significantly different interactions in ANOVA tests ($p < .1$, Visayas vs others)

Discussion

We found that in Visayas islands, citizen oriented local governments had higher performance than the leadership oriented ones in health, education, and peace. Now, why is this? We have only tentative explanations.

Firstly, historically people in Visayas may have been participation oriented. During 1970's and 80's there were active NPA movements in this region especially in Western Visayas. As a result, they had involved people in rural areas for promotion of health and social services in communities.

Secondly, local governments in Visayas have accepted relatively many community development projects such as coastal management supported internationally. They may have boosted people's participation.

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What connectivity matters in enhancing Thai local governance? Empirical Evaluation of Thai Local Government Survey in 2006

(28)

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Abstract

The decentralization policy has been introduced in Indonesia in 2000, shortly after the fall of Suharto government which was characterized by strong centralized government architecture. Habibie government took brave political measure by proposing decentralized government system which gave more functions and authority to the local level of government, the district and regency level. After being implemented for at least 15 years, it is necessary to carry out an evaluation to this policy.

This paper assesses governance of local government in the island of Java. Its evaluation is based on the elite survey carried in Java in 2011. It treats governance as dependent variable, and the data for this indicator would be constructed from various publications which include Human Development Index, Ministry of Finance and Statistics on Local Government. The dependent variables are derived from the survey data, and put emphasis on political variables.

The result of this evaluation will be of importance as it offers different perspective compare to those of existing evaluations which mainly looking at economic variables. It also provides an impetus for discussion on the ongoing process of decentralization in Java.

Keywords: Local Government / Decentralization/ Local Governance / Java/ Indonesia

Introduction

It is believed that the local government, especially those in the district and regency level, are very much dependent on the central government to run day to day government matters. This belief is derived from the fact that most of those local levels of governments are very much dependent on the various transfer funds from the central government. In general, most of these local governments are receiving more than 60% of their income from transfer from the central government. However, it is remaining a puzzle as to what variable that explain dependency of local government to central government? Does the reliance upon the central government transfer make local governments have to lobby those who are in position of power from the central government? This paper answers these mentioned questions by examining survey of regional secretary in Java data. In addition this report also adds secondary data to complete non-opinion data.

Dependent Variable: Dependency Ratio

How to measure reliance of local government to the central government? To some extent it seems easy to answer that question by only looking at the amount of transfer of central government to the local government. It is true that these amounts describe the reliance of the local government. In fact, the amount is decided by a certain formula decided by the central government after receiving and examining data. At the surface it seems that the central government could decide the amount of transfer only by examining the data at her hand, and substantially leaving no room for any kind of lobbies from the local government. In fact, it is a relatively a complicated matter to measure dependency as there are lobbies as well as political maneuver at the local level. In order to understand this fact, therefore it is necessary to understand fiscal decentralization in Indonesia. If one assumes that fiscal decentralization must have two different elements simultaneously, power to tax and spend, in fact this country practice different type of decentralization. The local government, district and regency, does not power to tax as it goes to the central government. The local government has only power to spend.

This report adopts dependency ratio as dependent variable. The data for the ratio is derived from the Ministry of Finance on transfer of fund in 2011. Dependency ratio is also a proxy to measure reliance of the local government to the central government. This is probably the best measure to capture reliance of the local government. The dependency ratio is made up of total income of a local government (district or regency level) divided by block grant (Dana Alokasi Umum, DAU). This report

treats two dependent variables from similar data. For the ordinary least square it adopts income/DAU ratio, whereas for ordered logistic regression it differentiates the regions that have ratio less than 50% and more than 50%. The region with ratio less than 50% is considered as a region which less dependent and more dependent when a region has more than 50% ratio. Table 1 and 2 describe descriptive statistics for income/block grant ratio and an order of that ratio as mentioned above.

Table 1 Descriptive Statistics for Ratio of Income and DAU

	N	Minimum	Maximum	Mean	Std. Deviation
Income/DAU	103	17.11	98.35	59.9888	10.63036
Valid N (listwise)	103				

Table 2 Descriptive Statistics for ordered Ratio data

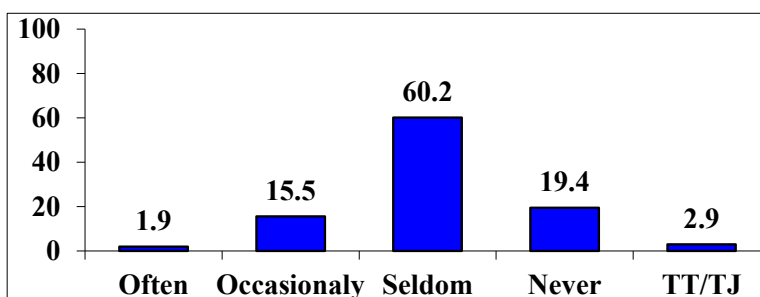
	N	Minimum	Maximum	Mean	Std. Deviation
Order Ratio	101	1.00	2.00	1.8416	.36695
Valid N (listwise)	101				

Independent Variables

In order to explore reliance of the local governments to the central government this report employs four independent variables which are taken from the survey. These variables are as follows:

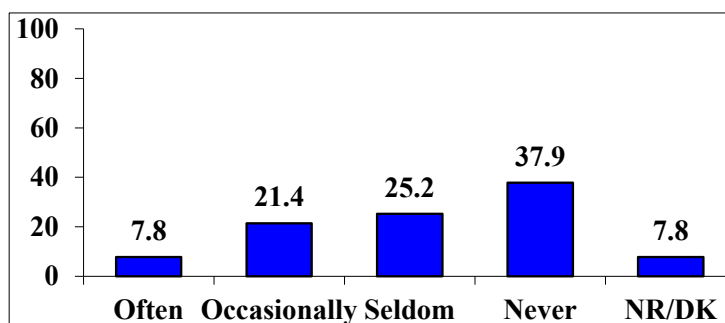
Based on your observation as Local Secretary, in the past year, when having new ideas on development program, did Regent/District Head discuss with following groups:

Members of National Parliament... (%)

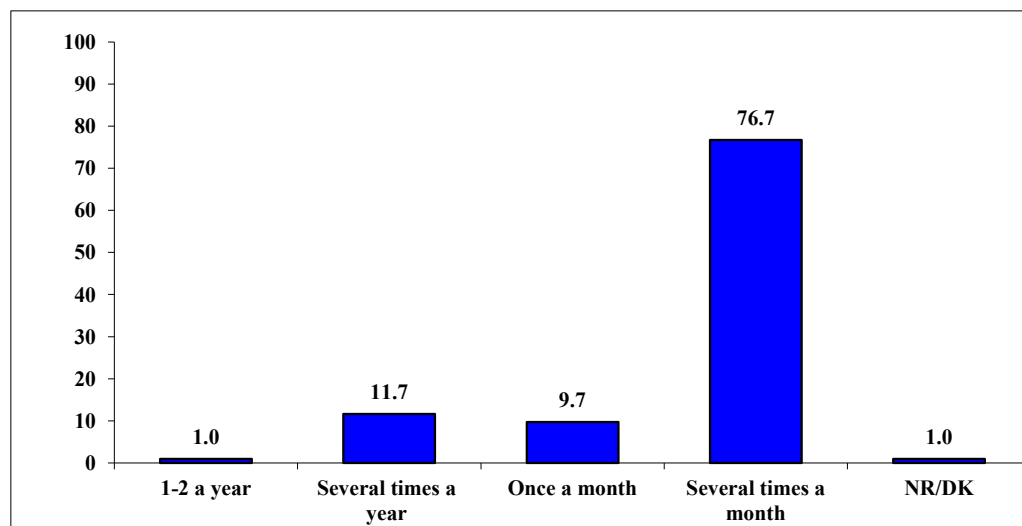


Based on your observation as Local Secretary, in the past year, when having new ideas on development program, did Regent/District Head discuss with following groups:

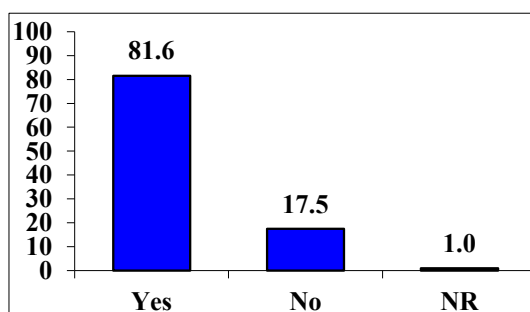
Trusted People (husband, wife, family, close friend)... (%)



How often do you meet face-to-face with these high-ranked officials and public figures for helping you in performing your duties as Sekda: **Members of District Parliament (%)**



Have you ever channeled local aspirations to the central government in order to add local budget while working for the Regent/District Head?... (%)



These variables are chosen because they have correlation with the dependent variables.

Table 3 Correlations

	Income/DAU	V_22.	V_25.	V_46.	V_73.
Income/DAU Pearson Correlation	1	.023	.009	.324**	.116
Sig. (2-tailed)		.814	.925	.001	.241
N	103	103	103	103	103

*** significant at 0.01

Notes:

V_22: Based on your observation as Local Secretary, in the past year, when having new ideas on development program, did Regent/District Head discuss with following groups:

Members of National Parliament

V_25: Based on your observation as Local Secretary, in the past year, when having new ideas on development program, did Regent/District Head discuss with following groups:

Trusted People (husband, wife, family, close friend)

V_46: How often do you meet face-to-face with these high-ranked officials and public figures for helping you in performing your duties as Sekda: Members of District Parliament

V_73: Have you ever channeled local aspirations to the central government in order to add local budget while working for the Regent/District Head?

From the table 3 it is clear that political lobby to members of districts parliament members is having a correlation even if it is less than 0.5.

The Result

Having mentioned dependent and independent variables, therefore it is necessary to reveal the result of regressions. This report employs two regressions in order to test consistency of the result from examination of the data.

The dependent variables are income and block grant ratio, this report calls it as dependency ratio. It is used as a proxy of political lobby from the local government to the central government. This report employs this variable because there are some lobbies from the local government to other political authorities at either national or regional level. As mentioned earlier there is a conventional wisdom that in order to receive more transfer the local government (regent/district head) have to lobby authorities in the central government even though there is a formula that calculates the amount of transfer. This report also adopts ordered logistic regression method to check consistency of the result from ordinary least square method. In order to carry out this method, the report divides income and block grant ratio into two different groups: those less than 50% and those more than 50%.

From the table 4 it is relatively clear that in the model 1 (ordered regression), only political lobby to the members of district/regency level which is significant and all the signs are negative indicating that more lobby at the local parliament members would likely reduce the amount of transfers.

However, the second model (OLS) represents different result. Political lobby is also significant in this equation and has positive sign. This positive sign indicates that a region would likely to have more transfer if it lobbies the member of local parliament.

These two different results then pose a hard task to interpret the results: which one is closest to the reality? Based on experience it appears that the second model would suit the reality. Political lobby in the part of local government to the members of district/regency parliament would likely increase the transfer of fund because the executive and the legislative at the local level could work or accommodate each other when they decide the regional budget. This budget contains many spending for the local government for a particular year. In many cases it seems that local executive and legislative cooperate. However, due to asymmetrical power relationship where legislative branch is having more power therefore the executive tends to lobby parliament members.

Why does political lobby to member of parliament at the local level (district/municipality) may increase the amount of transfer to local government? It is important to note that both executive and legislative at the local level are elected through direct election. Executive is directly elected since 2005, while legislative members are directly elected since 1999. Fiscal decentralization in the country had been introduced in 2001.

The hierarchical relations between the national and local government had ended when the decentralization policy was adopted in 2000. As the consequences hierarchical relations between the governor and district head was also eliminated. The district/municipal heads were accountable to local parliament until 2005, and after 2005 they are accountable to the voters. It is clear that since 2005 both the district/municipality heads and members of local parliament are directly elected. They are both accountable to the voters. The law also mentioned that the executive and legislative are partners, especially for making local law which include local budget every year. The law has designed that both executive and legislative are an equal partner that should work together. However, in reality it seems that the legislative has much power compare to that of executive. Why does it happen like this? One of the possibility is that local parliament has power because it has functions to control and monitor. Both local heads and the local parliaments have to cooperate, among others, in making local policies and proposing local budget.

Because the local heads and the local parliaments have to cooperate in making local budget, the heads of local government then politically have to lobby the parliament. In practice those executive and legislative powers are equal; however, politically the parliaments have more power. This statement should be understood carefully. The local parliament in reality seems to have more power than the local

heads for two reasons. First, democratization and decentralization have shifted center of power from the executive to the legislative branches of government. Second, in order to get approval of its budget proposal, the executives have to lobby local parliament. It means that the local heads are having less choice other than making a lot of concessions to the local parliaments. For example, one particular project or funding in the regions could only be approved if the executives are responded to the demands from the parliaments.

Even though the local secretary channeled local aspirations for more budgets to the central government, it seems that it has very little impact. How could one understand this contradiction? They need to have approval from the people, but at the end it is the power of local parliament that counts. They, however, have to approach people in order to keep their promise during campaign period. When they have to make budget proposal they realized that it has been the local parliament that they have to consult. In short, the power is rested on the hand of parliament compare to that of the people. In addition to that, it seems that the local secretary effort to approach people interests' should also be acknowledged by the local heads.

Table 4 Regression Results
Dependent Variable: Dependency
Ratio

Independent variables	Model 1 (Logistic)	Model 2 (OLS)
<i>Discuss Ideas: MP national</i>		0.057
		[1.042]
(Often)	-2.310	
	[3977.578]	
(Occasionally)	-13.592	
	[2146.861]	
(Seldom)	-15.454	
	[2146.86]	
(Never)	-17.704	
	[2146.86]	
<i>Discuss Ideas: Trusted People</i>		0.173
		[0.671]
(Often)	-1.901	
	[1.672]	
(Occasionally)	1.179	
	[1.702]	
(Seldom)	-0.617	
	[1.487]	
(Never)	1.435	
	[1.519]	
<i>Political Lobbies: MP District</i>		4.283*
		[1.269]
(Never)	-34.860+	
	[0]	
(1-2 a year)	-13.057+	
	[1.079]	
(several times a year)	-15.023+	
	[0.989]	
(Once a month)	-12.636+	
	[0]	
<i>Channel local aspirations</i>		-0.658
		[0.57]
(Own initiative)	2.914	
	[1.345]	
(Order from Regent)	2.425	
	[1.366]	

Notes: * significant at 0.01 and + significant

References

Daan Alokasi Umum, DAU.

The author use observation method to the local Secretary District Heads and Members of Parliament and analyzed the quantitative date.

Current Issues: The Challenges and Prospects for ASEAN

Collective Action in ASEAN: The Philippines and Thailand's Business Case against Corruption

(29)

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Abstract

The concept of corruption in the field of public administration and governance has been a long and enduring discourse. Whereas initiatives to combat corruption were initially focused in the government or the public sector, the realities of today manifest that corruption is not bounded by the rationalities of public and private. Thus, active involvement of all sectors and stakeholders of the society is required for a multilateral and comprehensive approach to combat corruption. This multilateral and comprehensive approach is the very foundation of collective action.

As defined by the World Bank Institute, collective action is “a collaborative and sustained process of cooperation amongst stakeholders. It increases the impact and credibility of individual action, brings vulnerable individual players into an alliance of like-minded organizations and levels the playing field between competitors”. Consequently, member-nations of the Association of Southeast Asian Nations (ASEAN) have embarked on the idea of regional economic, political and cultural integration through the ASEAN Economic Community (AEC) by 2015. The AEC envisions a single market and production base, a highly competitive economic region, a region of equitable economic development, and a region fully integrated into the global economy. The AEC provides a framework to address various issues that impede further growth and development, and cause more inequality – wherein corruption is seen as one of these issues.

Transparency International's Corruption Perception Index, which ranks countries from “highly corrupt” (0) to “very clean” (100), shows that most ASEAN countries, like the Philippines and Thailand, obtained relatively low scores and ranked in the near bottom. For the 2013 index, Thailand placed 102nd among 177 countries with a score of 35. Though the Philippines improved its ranking since the start of the Aquino administration's campaign for good governance, the country only scored 36 on the index, placing 94th. This proves that more work still needs to be done. Since corruption also greatly affects business operations, it is equally important for the private sector to work collectively to combat this pressing issue.

Prompted by the concerns to eliminate corruption and raise the bar of good business practices, this Paper will try to provide an exploratory study of selected collective action initiatives in the private sector. Specifically, this Study will: (1) discuss the nature and importance of collective action among the business sector in promoting integrity and fighting corruption; (2) discuss ongoing collective action initiatives in the private sector in dealing with corruption, specifically the Philippines' Integrity Initiative (II) and Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), and; (3) review issues and challenges experienced by the private sector in collectively fighting corruption and to provide recommendations on how to make collective action initiatives work more effectively.

Being exploratory and descriptive in nature, this Study will seek to provide a background about important concepts like ethics, integrity, and corporate governance, which are key concepts in such initiatives. This Study will only focus on reviewing the framework, activities and progress of the II in the Philippines and the Private Sector Collective Action CAC in Thailand, which could hopefully serve as models for the ASEAN community. Furthermore, this Study will examine critical issues that hinder the effectiveness of collective action initiatives in ASEAN and offer recommendations on how to appropriately address them.

Keywords: Corruption/ ASEAN Economic Community / Cooperate Governance/ Good Governance/ Collective Action/ Thailand/ Philippines

Objectives of the Study

Prompted by the concerns to eliminate corruption and raise the bar of good business practices, this Paper tries to provide an exploratory study of selected collective action initiatives in the private sector. Specifically, this Study: (1) discusses the nature and importance of collective action of the business sector in promoting integrity and fighting corruption; (2) discusses ongoing collective action initiatives in dealing with corruption, specifically the Philippines' Integrity Initiative (II) and Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), and; (3) to provide recommendations on how to make collective action initiatives work more effectively.

Limitations of the Study

Being exploratory and descriptive in nature, this Study seeks to provide a brief background about important concepts like ethics, integrity, corporate social responsibility and corporate governance, which are key concepts in such initiatives. This Study focuses only on reviewing the framework, activities and progress of the II in the Philippines and the Private Sector Collective Action CAC in Thailand, which could hopefully serve as models of collective action for the ASEAN community. Furthermore, this Study tries to provide recommendations on how to make collective action work.

Ethics, Integrity, CSR and Corporate Governance

The World Bank (2008) defines corruption as the misuse of entrusted power for personal gain. Corruption, along with its various forms, has been widespread in most developing countries in the ASEAN region. Being one of the major issues of governance, corruption greatly affects development. Development is seen to be impeded by corruption as it results to bad and substandard infrastructures, poor and inefficient services, tedious and unnecessary transactions and processes, among others. Thus, the need to promote good governance arises, making it one of the major priorities of various states in the region.

The Asian Development Bank (2005) defines good governance as “the institutionalization of a system through which citizens, institutions, organizations, and groups in a society articulate their interests, exercise their rights, and mediate their differences in pursuit of the collective good”. This definition gives the idea that governance is not about the government alone. Promoting good governance at the intersection of the public and private sectors as well as the civil society proved to be equally important to a country’s development, as it is a challenging endeavor.

Businesses now also see the need to join the fight against corruption; and have likewise participated in collective action initiatives. Such initiatives entail understanding and commitment to good practices. The essential factors in collectively fighting corruption by the business sector start with personal values and commitment. These include ethics, integrity, corporate social responsibility (CSR) and corporate governance.

In a presentation during the PHINMA Integrity Assurance Program, Roman (2014) highlighted the need for integrity in business by promoting ethics, integrity, CSR and corporate governance altogether. He then differentiated each such that ethics means “doing what is right”; integrity is “walking the talk”; CSR is “doing good things”; and corporate governance is “doing things right”.¹

Ethics comes with the personal character of an individual. Having high ethical standards, especially for businesses, mean going beyond compliance or the regulations set forth by regulatory agencies or the company itself to provide guidance to their operations. Integrity means doing what is right even when no one is watching. CSR, on the other hand, is an initiative of the business sector that makes it more socially responsible in the community or environment where they operate. Usually integrated in business models, CSR initiatives are reflective also of the company’s mission and role in the society and usually involve a multi-stakeholder engagement. Whereas, corporate governance provides the rules and regulations on how the board, management, and even employees should operate, which then call for accountability. Having anti-corruption measure is part of corporate governance and requires upholding high ethical standards and integrity to be effectively implemented.

Why Collective Action?

Among the common and general consequences of corruption are the increases in capital costs and in doing business, low investments, and deprivation of government of much needed resources. Goods and services decline both in quality and quantity. In terms of operation and impact, corruption reduces efficiency and increases poverty. The private sector cannot solely rely in the government to solve corruption. Moreover, businesses cannot blame everything to the government as private-to-private corruption also exists. Private-to-private sector corruption occurs when an officer or employee of a company exercises power over the performance of a function within the company and uses that power for his or her own personal benefit and to the detriment of the company (Argandoña 2003, Hills Program 2010). Internally, businesses can combat corruption

¹ *The Business Case for Integrity, PHINMA Integrity Assurance Program, Presented by Prof. Francisco L. Roman, Jr., DBA Executive Director, RVR CSR and CV Starr Center for Corporate Governance Asian Institute of Management on June 11, 2014.*

by having necessary systems and controls that would push for higher ethical standards and good practices. However, seeing that individual measures may not always be enough, companies should also engage in collective action.

According to the World Bank (2008), collective action is a proven method of fighting corruption. Collective Action also exists in a variety of different forms – from project-specific “integrity pacts” containing specified non-compliance remedies, to business associations with more general consensus-building purposes, such as codes of conduct. It increases an individual company’s impact by making fair business practices more common and elevating individual action or vulnerable individual players such as Small/Medium Sized Enterprises (SMEs) into an alliance of like-minded organizations. Furthermore, because collective action demonstrates commitment to ethical standards, business engaged in such also attracts investors that value ethics and integrity.

Collective action amplifies the impact of company efforts, brings vulnerable and individual players into a supportive alliance, and levels the playing field. In the fight against corruption, a coalition of companies united by a set of principles and standards can have a far greater aggregate impact. Moreover, within a viable, coherent coalition, the private sector can speak with one voice on the issue of corruption when dealing with the government (Morrell and Bettcher 2013). Without a strong and coordinated voice on the importance of compliance, corruption continues to be seen as “business as usual” and the consensus continues to be that bribery is a necessary component of conducting business (Nelson 2014).

The figure below shows the key characteristics of collective action and the degree of application and enforcement.

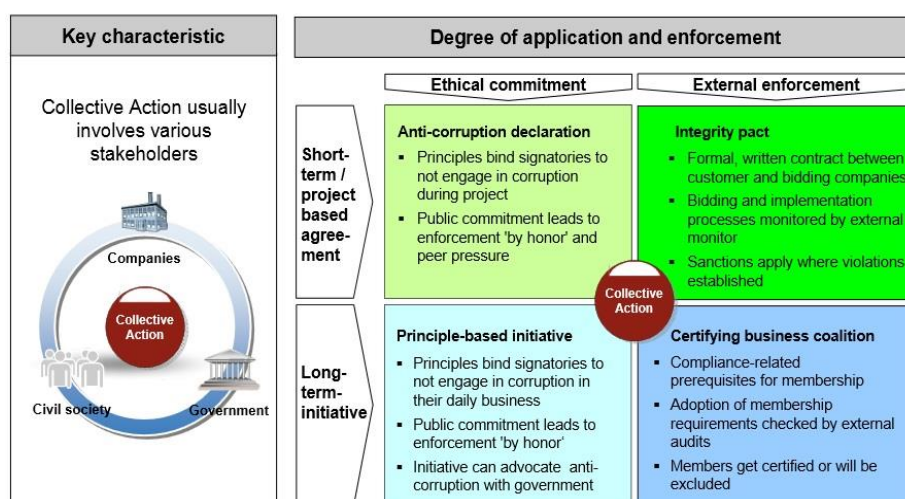


Figure 1: Collective Action Key Characteristics and Degree of Application and Enforcement
Source: World Bank 2008

Collective action is a process of cooperation between various stakeholders with the aim to jointly counter corruption (World Bank 2010). In collective action, stakeholders from the business sector, government and civil society play an important role. In general, this means that the government should adopt international frameworks and conventions into national law, and formulate and enforce laws against corruption and bribery. On the other hand, the business sector should implement effective anti-corruption programs; whereas, the civil society should monitor the efforts of both businesses and government (Hills Program 2011).

The World Bank Institute Working Group (2010) also identified organizations where the private sector can actively cooperate in the fight against corruption, such as the International Chamber of Commerce (Anti-Corruption Commission), Transparency International, UN Global Compact (10th Principle Against Corruption), World Economic Forum Partnering Against Corruption Initiative (PACI).

In the ASEAN region, notable examples of advanced collective action initiatives that combat corruption exist. These are the Integrity Initiative (II) Project SHINE in the Philippines and the Private Sector Collective Action Coalition Against Corruption (CAC) in Thailand. These collective actions both recognize international codes and frameworks on anti-corruption. The following sections will briefly discuss these two initiatives:

Integrity Initiative – Project SHINE (Philippines)

On December 2010, the private sector in the Philippines, headed by the Makati Business Club and the European Chamber of Commerce of the Philippines, established the Integrity Initiative (II)² as a multi-sectoral campaign focusing on the re-establishment of acceptable integrity standards among various sectors of society – business, government, judiciary, academe, youth, civil society, church and media. With the ultimate aim to eradicate corruption in the country, which has not only worsened poverty and has likewise obstructed the development of a competitive business environment, as well as with the goal to create a level playing field, the Integrity Initiative works on the principle of collective action to bring together businesses and associations to institutionalize integrity in various aspects of business.

In general, the Integrity Initiative calls for companies to sign an integrity pledge; use a Unified Code of Conduct; and commit to undergo a process of accreditation and certification based on integrity and high ethical business practices. The Integrity Initiative seeks to achieve this through its Project SHINE, which stands for Strengthening High-level Commitment for Integrity Initiatives and Nurturing Collective Action of Enterprises advocating for fair market conditions. Funded by Siemens, II Project SHINE focuses on establishing concrete measures against corruption.



Figure 2: Integrity Compliance Framework

Source: Integrity Initiative, *The Integrity Compliance Handbook*

On 2012, the Integrity Initiative developed the Integrity Compliance Framework, which operationalizes the commitments of participating companies. The framework makes use of the diamond, being the hardest natural substance on earth, as the symbol for integrity, which is what makes the organization strong. The framework is anchored on the organization's mission, vision and core values, and operationalized in the code of conduct and policies. These are embedded to the business process systems (sales and marketing, logistics and procurement, human resource, and finance and accounting), which the II Project SHINE identified also as the functional areas that are prone to corruption.

For its success, the framework recognizes the importance of having a Tone from the Top as well as practices from the ground. It then identifies key control measures of corporate governance based on global standards. The synergy among these elements leads to the success of the II in institutionalizing common ethical practices.

Following a roadmap for integrity, the Integrity Initiative uses the following processes for businesses and organizations that wish to participate:

² Information about Integrity Initiative are sourced from its website, www.integrityinitiative.com and *The Integrity Compliance Handbook*.



Figure 3: Integrity Process Flow

Source: Integrity Initiative, *The Integrity Compliance Handbook*

Since 2011, the Integrity Initiative has been conducting various focus-group discussions, roundtable discussions and training for businesses and other organizations to identify key problems in business operations and gather possible solutions and measures that will enable businesses to promote integrity despite the challenges of corruption. For businesses to be part of the national campaign against corruption by the Integrity Initiative, the first step is for the chief executive officer, country representative, managing director or other senior official of the organization to sign the Integrity Pledge. The Integrity Pledge, which was launched in 2011, is a document by which companies adhere to abide by ethical business practices; prohibit bribery; implement internal controls; and participate on training on ethics and anti-corruption. As of October 2014, there have been 2,072 signatories³ to the pledge comprising of 202 Integrity Consortium members, 1,753 businesses, 86 academe, and 31 government agencies.

After several benchmarking studies on how to institutionalize ethical business practices, the Integrity Initiative developed the Integrity Framework in 2012, which was earlier discussed. In the same year, the Integrity Initiative started promoting the adaptation of a Unified Code of Business (Code) for signatories to the Pledge. The Integrity Compliance Handbook explains that the purpose of the Code is two-fold: 1. The Code harmonizes existing ethical standards among businesses in the country, and in order to create a fair market conditions, it also ensures that different market players adhere to the same rule of the game; 2. The Code formally communicates the signatories' commitment and articulates the belief that securing profit at the expense of integrity is unacceptable and unsustainable way of doing business. Both the Integrity Pledge and the Code signify Tone from the Top.

Following these developments, the Integrity Initiative created the Integrity Assessment Tool that assists signatories of the Integrity pledge in examining the scope and effectiveness of integrity policies and practices of their respective organizations as well as its alignment with the Unified Code of Business. This online tool examines six focus areas that are susceptible to corruption, namely top management; dealing with fellow employees; dealing with clients; dealing with business partners; dealing with finances; and dealing with government, communities, environment, and other key stakeholders. The overall maximum score is 296, a summation of the scores of the six focus areas. The Integrity Assessment Tool helps in determining the strengths and weaknesses of the organization, which would then lead to identifying possible corrective measures to address vulnerabilities.

An external validator who is qualified and trained by the Integrity Initiative, will review and examine independently and rigorously the organizations' process of institutionalizing integrity practices, by conducting documentary checks. A score sheet will be used to compare findings from the self-assessment with the external

³ As updated and posted in the website of Integrity Initiative

validator. Alongside, the Integrity Initiative will also conduct trainings and workshops for participating companies to help them identify measures that would address their vulnerabilities to corruption. As of August 2014, 250 companies have taken the Integrity Assessment Tool and 25 signatories have been validated.⁴

The Integrity Initiative aims to develop an Integrity Certification Program, similar to the ISO by the end of 2014. In line with this, the Integrity Initiative is currently developing a pool of trained accreditors who will conduct visits and spot checks to assess the level of institutionalization of integrity practices, as well as conduct survey, focus group discussions and key informant interviews. By following this process, the Integrity Initiative hopes to improve the competitiveness of Philippine companies and organizations in the local and global arena.

The Private Sector Collective Action Coalition Against Corruption (Thailand)

The Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)⁵ was initiated in November 2010 by the late Khun Charnchai Charuvastr, then President and CEO of the Thai Institute of Directors Association (Thai IOD) and Khun Dusit Nonthanakorn, then Chairman of the Thai Chamber of Commerce (TCC). The CAC was established in cooperation with the Joint Foreign Chambers of Commerce (JFCCT). The CAC is now supported by a total of seven leading private sector partner organizations, including the Listed Companies Association, Thai Bankers' Association, Federation of the Thai Capital Market Organizations, Federation of Thai Industries and Tourism Council of Thailand.

Funded by the Center for International Private Enterprise (CIPE), the CAC aims to create awareness among the private sector of corruption risks and the need to resist and fight this problem through the effective implementation of anti-corruption policies and mechanisms both at the company and industry levels. The following are the goals of the CAC:

1. A change in attitude leading to a refusal by companies of corrupt practices by imposing zero-tolerance policy;
2. Change in the way the public sector works through policy advocacy and identify corruption risks in public services; and
3. Promote a corruption-free business environment through enlarging the CAC network.

Comprising of experienced and highly respected individuals, the CAC Council was formed to coordinate the Coalition's policies and to establish best practice standards. The CAC Council has assigned the Thai IOD as the secretary and supporting organization that implements the project's activities, including conducting regular seminars and training programs for participating companies to help them establish effective anti-corruption mechanisms and prepare for certification by the CAC.

⁴ www.rappler.com/business/211-governance/66976-certification-ethical-businesses-roll-out-2014, Retrieved on September 15, 2014.

⁵ Information about Thailand's Private Sector Collective Action Coalition Against Corruption are sourced from the Thai IOD website, www.thai-iod.com, as well as from the Collective Action Against Corruption: Business and Anti-Corruption Initiative in ASEAN (AIM Hills Program May 2014)

The Certification Process of the CAC is shown below:

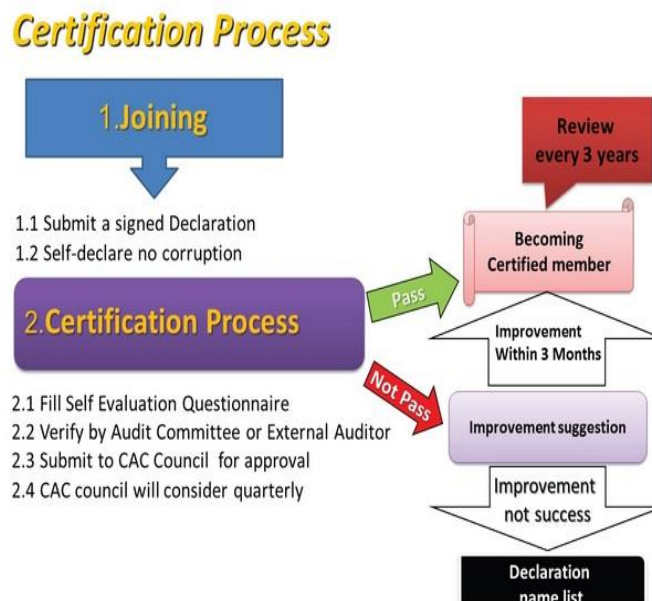


Figure 4: The CAC Certification Process
Source: Thai IOD, CAC

The Certification Process of the CAC starts with signing the Declaration of Intent where companies agree to: 1) work internally to assess risks related to corruption, implement anti-corruption policies and compliance programs, and provide business conduct guidance to managers and employees; 2) disclose and share internal policies, experiences, best practices and success stories to foster ethical, clean, and transparent business transactions, and; 3) reach out to industry peers, suppliers and other stakeholders via the Coalition and participate in joint activities to fight corruption. The Declaration of Intent has four parts, namely Prohibition of Bribery; Program to Counter Bribery; Scope and Guidelines on gifts, hospitality and expenses, facilitation payments, charitable contributions, business relationships, government procurement, and political contributions; and finally, Program Implementation Requirements such as leadership, financial recording and auditing, human resource, monitoring and review, raising concerns and seeking guidance, training, organization and responsibilities.

Together with the signed Declaration of Intent, the participating companies must submit their respective complete company profile and accomplish a self-evaluation tool (SET), which should be endorsed by the board of directors. Comprising of 71 core indicators, the SET aims to enable companies to appraise the strength and effectiveness of their anti-bribery policies and procedures against the framework of Transparency International's Business Principles for Countering Bribery. It should be verified by the Audit Committee or an external auditor before the IOD submits the final endorsement to the CAC Council for certification.

The certification process is completed through a series of review and regular monitoring. Certified members are subject for review every three (3) years. As of January 2014, the CAC has 278 signatory companies of which 114 are SET listed companies and 164 are privately-held companies.⁶

⁶ CAC and How to Fight Corruption at the Corporate Level. PowerPoint Presentation (2014). Also cited in the Collective Action Against Corruption: Business and Anti-Corruption Initiative in ASEAN (AIM Hills Program May 2014)

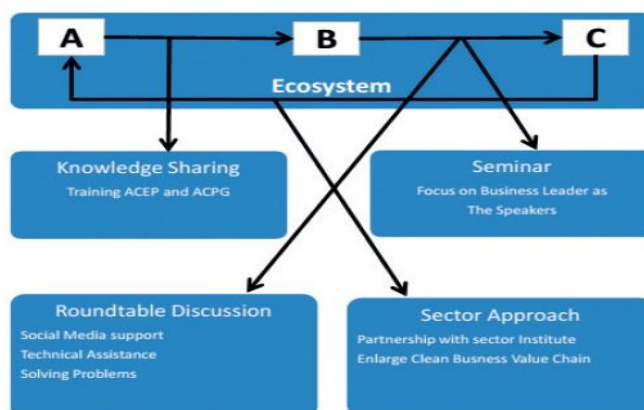


Figure 5: Framework of the CAC Three-Year Work Plan
Source: Thai IOD, CAC⁷

With the aim to increase to “203 certified listed-companies with market capitalization of 7.6 trillion Baht or equivalent to 70% of SET market capitalization;” to establish a network or community to act as Knowledge Sharing Platform for signatory companies; and to develop and promote best practices for signatory companies, the CAC three-year work plan framework (2013-2015) establishes an anti-corruption ecosystem and cooperation among various industries.

The framework of the CAC three-year work plan is reflective of the different types of target companies of the CAC. A represents “declarer companies” or those who have signed the Declaration of Intent; while B represents the “certified companies”. C represents what the CAC calls as the “change agents” or those companies who have best practices that can be replicated and distributed to other companies. The CAC targets increase in both the “declarer” and “certified” listed and non-listed companies by 2014, wherein the target group for membership would be listed-companies from the regulated business sector, specifically in telecommunications, energy, infrastructure, oil and gas. On a long-term perspective, the CAC envisions their “certified companies” as “change agents” or promoters of best practices through knowledge-sharing and other platforms like seminars, roundtable discussions, social media, and trainings.⁸

Towards a Corruption Free Society: A Blueprint for Success

The Philippines’ Integrity Initiative (II) and Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC) exemplify the very tenets of cooperation and collaboration among the different stakeholders of the society in combating corruption, which after all, are the core values of collective action. Whereas several government mechanisms to curb and stop corruption within its ranks have failed or had minimal effects, these collective action mechanisms provide some sense of hope that indeed corruption can be stopped.

The Integrity Initiative, considering that it was only established on December 2010, has already achieved much in the field of combating corruption. The numerous signatory-companies to the Integrity Pledge prove that the II through its Project SHINE was successful in reaching out to the private and business sectors and the different stakeholders to take responsibility and play an active role in the fight against corruption. The Unified Code of Conduct provides signatory companies of guiding principles and framework to promote and achieve a corruption-free business environment. The Integrity Compliance Framework and the roadmap to integrity provide a definite direction and work plan for the II for the next years. Notable among these is the vision of making the process of accreditation and certification of companies a standard practice, more like the ISO certification. With this, promoting integrity and high ethical business practices becomes a norm among companies, thus narrowing if not, eliminating spaces for corruption to thrive.

⁷ Also cited in the *Collective Action Against Corruption: Business and Anti-Corruption Initiative in ASEAN (AIM Hills Program May 2014)*

⁸ As presented in the *Collective Action Against Corruption: Business and Anti-Corruption Initiative in ASEAN (AIM Hills Program May 2014)*

The Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) also exhibits notable achievements four years after its establishment. The CAC's Declaration of Intent and Self-Evaluation Tool provide a good check and oversight on signatory companies in terms of compliance and effectiveness of anti-bribery and anti-corruption policies and procedures. Moreover, the CAC's certification process involving series of reviews and monitoring mechanism ensures that certified companies have adopted and implemented anti-corruption tools and espoused highly ethical and good business practices. The mandatory review and assessment every three years ensure continued observance and adherence to these anti-corruption and ethical standards for business. The 278 and counting signatory companies exemplify that gradually, the CAC transforms the Thai business environment into a corruption-free one.

Both the Philippines' Integrity Initiative and Thailand's Private Sector Collective Action Coalition Against Corruption present exemplary initiatives to curb corruption and establish a highly ethical business environment through collective action. However, it must be noted that these collective action mechanisms are not yet considered as mainstream, more so norm or standard in conduct of business. With this, there is a need to raise the awareness of the society, specifically of the immediate stakeholders on the advantages and positive effects of collective action and high ethical business practices. There must be a concrete commitment from all actors and stakeholders to uphold and abide by the principles espoused upon by collective action initiatives. Also, the institutional stability and financial sustainability of these collective action mechanisms must be taken into account. On this perspective, organizations involved in collective action initiative must look into alternative funding schemes outside their international or local donor sources and adopt internally-sourced funds and income like user-charges and minimal fees for the certification, review and assessment processes.

Given that collective action is anchored on the idea of collaboration and cooperation, there must also be an equal commitment and steadfast support coming from the government. To encourage anti-corruption mechanisms and ethical business practices, the government must create an enabling environment and safer political space for collective action to thrive and develop to becoming a norm and industry standard. This enabling environment can be achieved through mainstreaming collective action initiatives and mechanisms. For example, the government may provide guiding laws and policies, if there's none, or ensure proper implementation and adherence of existing laws and policies pertaining to anti-corruption and collective action. Moreover, the government can encourage anti-corruption mechanisms and ethical business practices in the private sector by providing some sort of incentive scheme, like tax discounts and amnesties, recognition and awards systems, and positive reinforcement methods.

As repeatedly emphasized, collective action is anchored on collaboration and cooperation among the various stakeholders of the society in promoting a corruption-free environment and high ethical business and industry practices. For the civil society and non-government organizations, they could provide a sense of oversight and check and balance on these collective action mechanisms. Moreover, as the "third" sector, the civil society can come in as an independent third party reviewer and/or auditor to validate the assessment and certification process. With this, the fight against corruption through collective action initiatives and mechanisms is positively reinforced by all sectors and stakeholders in a collaborative manner.

Towards "Regionalization" of Collective Action

With continuous commitment from various stakeholders, the Integrity Initiative and the Private Sector Collective Action Coalition Against Corruption can sustain their efforts and could serve as models of collective action in the ASEAN region. In line with the goals of the ASEAN Economic Integration 2015, member-nations of the ASEAN can embark on the knowledge and best practices sharing of their respective collective action initiatives and mechanisms by establishing a regional network of organizations involved in collective action where regional dialogues can be facilitated. Other existing collective actions in ASEAN such as the Indonesia's Collective Action for Fighting Corruption and Corporate Integrity System Malaysia Project can consider following the experiences of the II and CAC as the proponents of such initiatives.

Through regionalization, mainstreaming of anti-corruption mechanisms and highly ethical business practices can cut and cross through borders, thus enabling ease in knowledge and best practices sharing, cooperation and collaboration among the different organization involved in collective action, and more importantly, in promoting an enabling environment for collective action and anti-corruption mechanisms and high ethical business practices throughout the ASEAN region. Given that there are many corporations that are multi-nationals and trans-nationals, establishing an ASEAN Regional Network for Collective Action will not only curb corruption but also at the same time, encourage more businesses and investments to the region, thus promoting economic development.

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Anti-Corruption and Governance Challenges in Southeast ASIA: Toward the ASEAN Political-Security Community Agenda

(30)

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Abstract

Governance and corruption are closely interlinked. There is a reciprocal relationship between corruption and governance. The World Bank underlines that corruption undermines good governance, and bad governance produces corruption. Corruption and governance issues have become a serious concern in Southeast Asia countries. Conditions of such massive corruption in some countries in ASEAN make the issue of corruption in this region always wrapped around the development process which is carried out. The Corruption Perception Index (CPI) score in most of the ASEAN member countries are relatively poor, except Singapore and Brunei. Corruption has become viral in every country that can influences bad governance system and human development index is not good. This paper outlines the issues of corruption and governance as a working agenda of ASEAN towards APSC 2015. It is important to have strategic steps in fighting corruption and achieving good governance that must be taken by each ASEAN member by imitating on best strategies undertaken by neighboring countries. The roles of ASEAN as a cooperation organization in the ASEAN region should be able to be a bridge to the creation of the ASEAN region free from corruption through promote strengthening of anti-corruption institution.

Keywords: Corruption/ Good Governance/ ASEAN

Introduction

Corruption and governance issues have become a serious concern in many countries globally, not an exception the countries in Southeast Asia. Both are like two different sides of a coin but in one single piece which influences each other. Corruption as a form of action that takes advantages of public power for group or private gain is judged to be a threat to the development and establishment of good governance. Instead, poor governance management will likely enrich corruption practices. This is consistent with the statement from World Bank that governance and corruption are closely interlinked. Corruption undermines good governance, and bad governance produces corruption. (<http://web.worldbank.org>). Therefore, scientists believe that only by revising the process of governance or only by creating good governance, the practice of corruption by itself would be unfettered.

In the literature of security and contemporary strategy study, discussion on corruption relates to transnational crime issue. According to United Nation in its Convention Against Transnational Organized Crime (2000) that transnational crime is defined involve any criminal activity that is conducted in more than one state, planned in one state but perpetrated in another, or committed in one state where there are spillover effects into neighbouring jurisdictions. Corruption belongs to transnational crime because in some certain cases it engages two or more countries, especially when corruptors escape and keep their money resulted from corruption in other countries (Collins: 2007; Hoadley and Ruland: 2006). As a transnational crime, corruption has become an international issue and turned into threat for every nation. Corruption can disturb the stability of governance process of a nation, might aggravate the democracy process, and threatens the fulfillment of citizens' welfare.

Although the UN convention has stated that corruption is a world problem that classified into the category of transnational crime, but it is only related to the handling of corruption and has not touched the root of the problem of corruption as one of mental processes and human being. The process of awareness rising about the abuse of authority as something related to corruption must always be campaigned through the institutionalization of moral values and good governance. In connection with efforts to combat corruption involving the relationship between the state and its efforts to realize the values of good governance in Southeast Asia, ASEAN leaders agreed to the establishment of the ASEAN Political Security Community 2015 at the 19th ASEAN meeting called "Bali Concord II" that one of the agendas is to "promote good governance" and "Prevent and combating corruption".

Within the context, this paper outlines the issues of corruption and governance as a working agenda of ASEAN towards APSC 2015. What values are already developed and agreed with in ASEAN as a pillar to prevent corruption? What are the challenges faced by ASEAN and its role as an organization of cooperation among the countries in Southeast Asia to achieve good governance and combating corruption in order to realize

a common goal, namely the establishment of ASEAN "prosperous and peaceful community of South-East Asian Nations? Those questions are the focuses of this paper which are divided into three major sections; the first describes the situation of corruption and governance in ASEAN member countries. The second describes success stories and failures of some countries in ASEAN in creating good governance and preventing corruption. The third describes the ASEAN Political Security Community Blueprint as the main pillars of achieving good governance and preventing corruption as well as explaining the role of ASEAN as an organization of cooperation among countries in Southeast Asia in creating regional security from the crime of transnational crime, especially corruption.

Corruption Situation in Southeast Asia: Trends and Causes

Although corruption is not a new phenomenon but so far it has been a disease that spreads in government activities in developing countries and is an organized crime that could be a threat as well to national security of a nation. Corruption can be a hindering figure and causes failure of the development process. A lot of losses to the state, the failure of the poverty eradication, the inequality of development and governance processes disruption are caused by the rampant corruption in a country. Corruption has become a virus that spreads in people's lives and thrives in a nation that has government bad management immunity. Corruption can be easily found in every governance transaction if the management system does not run on the principles of good governance. It is as asserted by Gould and Amaro-Reyes (1983) that there are several reasons for the spread of corruption, primary among them being government's monopoly of economic activities in developing countries with conditions of political "softness", widespread poverty, socio-economic inequalities, and ambivalence towards the legitimacy of government and its organisations and systemic maladministration.

Corruption in most of the ASEAN member countries is quite alarming. Corruption occurs at every level of government, both nationally and at the local level and not infrequently happens in the private sector. Decentralization policies that have been implemented in many developing countries that are not supported by the management of good governance at the local level are supposed to be the cause of many cases of corruption at the local level. According to Bardhan, 1997; Bardhan and Mookherjee, 2000; Wildmalm, 2008; Gong, 2006 whose have contrary opinion suggestion that the absolutely authority and power of local government to manage all of the development process, including decision-making authority or discretion has providing opportunities to abuse of authority and corruption.

Table 1. Corruption Cases handled by NACC and KPK

Country	2004	2005	2006	2007	2008	Total Received
Thailand	7,994	8,723	11,573	11,407	8,604	48,301
Indonesia	2,281	7,361	6,939	6,510	8,697	31,788

Source: Annual report from KPK dan Krongkaew:2009

Corruption practices are not likely to shrink even increasing although the policies and anti-corruption program have been carried out in various forms of activities and through the establishment of anti-corruption institutions. As an example, according to a report from the National Anti-Corruption Commission of Thailand, it was noted that within the period of 2004-2008 the corruption cases have increased. The same situation also happened in Indonesia, although the government has issued a number of policies to tackle corruption and has established the Corruption Eradication Commission (KPK) but in fact cases of corruption tend to increase (see table 1). Cases of bribery in Malaysia, for example, are one of the most prominent cases of corruption in the country. The survey results of one of international agencies said that: "Malaysia in the survey case of bribery in business or Bribe Payers Survey '2012'. Malaysia obtained the worst results in the Bribe Payers Survey 2012 held by Transparency International anti-corruption organization. In the survey, over 3,000 executives from 30 countries were asked whether they had failed to gain a contract last year for bribing competitors. As many as 50% of respondents in Malaysia said 'yes'. The survey result shows the behavior of private companies in Malaysia which indicates that cases of bribery in the public sector become systemic and institutionalized" (Purnomo, 2012).

The existence of bribery cases among Malaysian government by civil society and the private sector is also justified by the Deputy Minister in the Ministry of Prime Minister Datuk Liew Vui Keong. In a statement explaining that:

"At least 5,983 government workers in Malaysia were snared by law enforcement officials on corruption charges in the period of 2005-2011. According to him, out of the total number, 816 workers were taken to court and 324 of them were found guilty and 69 were released and 298 were found not guilty. A total of 20 cases were congealed and 105 other cases were in the judicial process "(Editorial, 2012)

Conditions of such massive corruption in some countries in ASEAN make the issue of corruption in this region always wrapped around the development process which is carried out.

Based on a survey of International Transparency Institute on Corruption Perception Index (CPI), information is obtained that the CPI score in most of the ASEAN member countries are relatively poor, except Singapore and Brunei. For example, in 2012 the CPI of the two countries reached scores above 5, namely Singapore (8.7) and Brunei (5.5). It is known that Transparency International is an international NGO that one of the programs is to conduct a survey measuring the Corruption Perception Index (CPI) on the level of public sector corruption based on the opinions of experts in various countries. Score range of the countries entered the CPI survey coverage are from 0 (highly corrupt) to 10 (highly clean).

In addition to present the CPI score, the survey conducted by Transparency International also shows the ranking of each state compared to others. Table 2 shows the CPI ranking position of each ASEAN member country that in the last five-year period until the year of 2012 there were only four states which CPI-rank were under level 100, namely Singapore, Brunei, Malaysia, and Thailand. The survey results conducted by Transparency International institutions showed that there is a considerable gap among ASEAN member countries. This condition becomes a major issue for the creation of ASEAN as a respected region and having an important role in the global community as stated in the 19th ASEAN Summit theme in Bali (the 19th ASEAN Summit Theme), namely "ASEAN Community in a Global Community of Nations".

Table 2. Corruption Perception Index

Country	2008		2009		2010		2011		2012	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Singapore	4	9,2	3	9,2	1	9,3	5	9,2	5	8,7
Brunei	-	-	39	5,5	38	5,5	44	5,2	46	5,5
Malaysia	47	5,1	56	4,5	56	4,4	60	4,3	54	4,9
Thailand	80	3,5	84	3,4	78	3,5	80	3,4	88	3,7
Vietnam	121	2,7	120	2,7	116	2,7	112	2,9	123	3,1
Indonesia	126	2,6	111	2,8	110	2,8	100	3	118	3,2
Philippines	141	2,3	139	2,4	134	2,4	129	2,6	108	3,4
Laos	151	2	158	2	154	1,4	154	2,2	160	2,1
Cambodia	166	1,8	158	2	154	2,1	164	2,1	157	2,2
Myanmar	178	1,3	178	1,4	180	1,4	180	1,5	172	1,5

Source: Transparency International

Conditions such massive corruption mentioned above are not excessively stated that corruption in the ASEAN region, except in Singapore, is in appalling conditions and may jeopardize the realization of welfare and disrupt the overall development process, including the process of democracy. Kofi A. Annan, a former UN secretary, has signaled about the dangers of corruption, particularly in developing countries by stating as follows: "Corruption is an insidious plague that has a wide range of corrosive effects on societies. It undermines democracy and the rule of law, leads to violations of human rights, distorts markets, erodes the quality of life and allows organized crime, terrorism and other threats to human security to flourish. This evil phenomenon is found in all countries—big and small, rich and poor—but it is in the developing world that its effects are most destructive. Corruption hurts the poor disproportionately by diverting funds intended for development, undermining a Government's ability to provide basic services, feeding inequality and injustice and discouraging foreign aid and investment. Corruption is a key element in economic underperformance and a major obstacle to poverty alleviation and development" (UNCAC, 2004).

Table 3. Human Development Index in Asian Countries

Country	2010		2011		2013	
Singapore	0.826	27	0.866	26	0.895	18
Brunei	0.804	37	0.838	33	0.855	30
malaysia	0.744	57	0.761	61	0.769	64
Thailand	0.654	92	0.682	103	0.690	103
Philippine	0.638	97	0.644	112	0.654	114
Indonesia	0.600	103	0.617	124	0.629	121
Vietnam	0.566	113	0.593	128	0.617	127
Timor Leste	0.502	120	0.495	147	0.576	134
Cambodia	0.494	124	0.523	139	0.543	138
Laos	0.497	122	0.524	138	0.543	138
Myanmar	0.451	132	0.483	149	0.498	149
Asia Tenggara	0.516	-	0.548	-	0.558	-
world	0.624	-	0.682	-	0.694	-

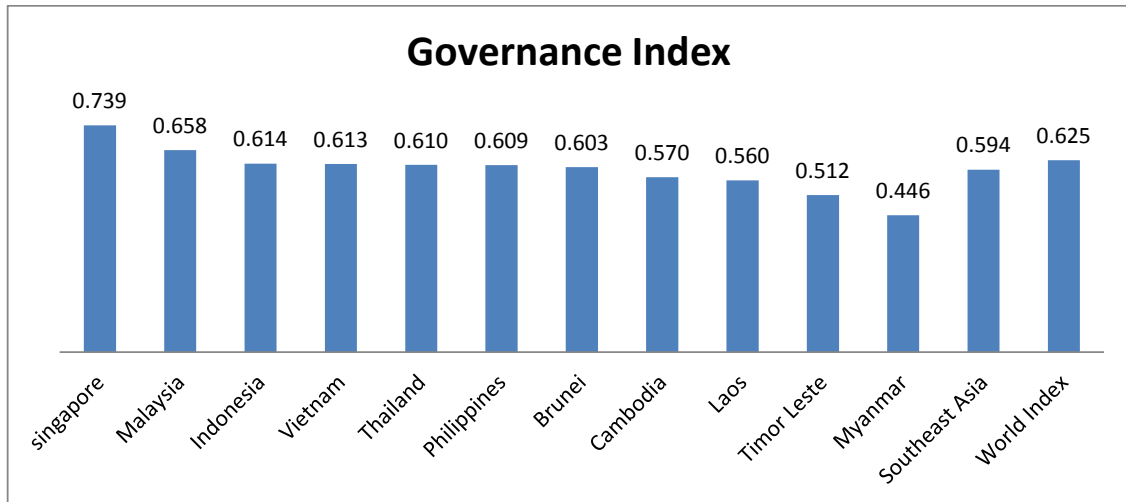
Sumber: UNDP, HDI 2010,2011, dan 2013

The table 3 insist that corruption significantly impact the delays in the development process. Average human development index in Southeast Asia is still below than the world index. The table is a reflection that human development programs in most of Southeast Asia Countries have not been running optimally. The countries have been in low of HDI tend to high position in CPI. There are same pattern between the Corruption perception Index and Human Development Index which have three country, such as Singapore, Brunei, and malaysia as highly rank in HDI and CPI.

Effort to Combating Corruption and promote Good Governance: Reflecting on the success story of several countries in ASEAN.

In addition to be a threat to the continuity of the process of development in the ASEAN region, corruption has become viral in every country that can influence bad governance system. The graph above shows that there is a positive relationship between the levels of corruption of a country that has been discussed previously and the levels of good governance achieved. Singapore (see graphbelow) is a country that can be the reference as an example of succeeds in running good governance systems and minimizing corruption in the country. How anti-corruption strategy and promote good governance in Singapore will be discussed in this section.

Various efforts and strategy of anti-corruption have been carried out by each country in Southeast Asia, whether in the form of policies and laws or the formation of institutions that deal with corruption cases. However, not all countries of ASEAN members are able to maintain the image of good governance management as well as generating effective prevention strategies and corruption eradication that is proven to the low CPI. This section describes the efforts made by ASEAN member countries in combating corruption and the outcomes resulting to improve governance, especially corruption, namely Singapore, Brunei, and Malaysia which CPI scores are higher than five. Not all experiences from Southeast Asian countries in combating corruption are described in this section, but is expected to provide a successful example that can be followed by each country.



Source: Adopted from Francois, 2009 (<http://www.world-governance.org>.)

Singapore through the Corrupt Practices Investigation Bureau (CPIB) which was formed in 1952 is a success story in the fight against corruption. A strategy adopted in Singapore in combating corruption is referred as pillar of anti-corruption strategy which has four main focuses: Effective Anti-Corruption Agency; Effective Acts (or laws); Effective Adjudication, and Efficient Administration. Where the four pillars above is based on the "strong political will against corruption". High political commitment of the government in combating corruption is a major factor and the most important of Singapore's success in combating corruption. Furthermore, this country recognizes the importance of forming an anti-corruption agency which is independent, has adequate authority and high integrity. Existence of distinct and clear legislation about corruption also determines the effectiveness of anti-corruption agencies and the punishment sentenced to the perpetrators of corruption. Then an efficient public administration is the outcomes of effective anti-corruption institutions, laws, and corruption sanction.

Malaysian government applied three anti-corruption strategies, as outlined in the three-point strategies, namely: Strengthening / consolidation strategies; prevention and promotion strategies; and enforcement strategies. Among the interesting strategies that are applied by this country is the imposition of 'reverse authentication system'. Simply put, that is to say, a state official, who is indicated to corruption with wealth is not worth the possibility of income from office, can be asked to prove where the wealth was obtained, and asked to prove that he did not commit corruption. If a petty official or a soldier seen to have a place to stay (home) or a fancy luxury vehicle, the Rasywah Prevention Agency may request him to prove that he is not corrupting. This step is quite effective. Officials in this country are very careful, though definitely not all are clean of corruption.

How about Thailand and Indonesia? Looking at the situation of corruption eradication in Indonesia today can be said to show no clear direction compared with Thailand. Indonesia despite having the Corruption Eradication Commission (KPK) is relatively more independent than the same institution belongs to Thailand (especially in terms of funding), the NCCC has changed into the National Anti-Corruption Commission (NACC) but the power of the Corruption Eradication Commission in Indonesia must face the major wall of political forces entrenched in any case of corruption in Indonesia. For example, corruption related to the Century Bank case allegedly involving the state officials is not successfully penetrated by the KPK. Political factors are often an obstacle to the eradication of corruption in Indonesia. Different from some cases of corruption in Thailand, such as the case of Mosquito eradication chemical project and the case of Medicine and medical equipment purchasing are able to ensnare the public health deputy minister and other officials. Although the anti-corruption movement from below continues to grow in both countries but such efforts must also deal with the tyranny of power. The role of non-governmental organizations or civil society, including the mass media are high in both countries in guarding the eradication of corruption in both countries but the results have not been encouraging because it must deal with greater force. According to Charas Swanmala (Professor at Chulalongkorn University) that *"the majority of civic organizations choose a proactive approach in fighting the corruption, such as through civic education, monitoring, and information dissemination. Only some of them take aggressive role as corruption watchdogs, revealing incidents, and pushing state institutions to take action"*

against corruption...Civic organization in Thailand are often seen as anti-state or anti-organization power players. They must take extraordinary efforts to fight corruption. At the same time both state agents and criminals threaten them”.

Although there are still some obstacles in the fight against corruption, but the Government of Thailand is considered capable of putting governance system for a prohibitive factor in corruption practices. This is consistent with the assessment of the World Bank that Thailand has been good at putting in place systems that help identify symptoms of corruption and reduce the opportunities for corrupt practices. Public services processes like passport issuance, ID cards, and driver licenses, have been streamlined. Many of these processes are now online and are constantly being evaluated using a system of key performance indicators. An example is the e-Revenue system which was implemented by Thai authorities to reduce interactions between taxpayers and tax collectors and the risk of any money changing hands in the process. Similarly, e-Auction systems were put in place to reduce collusion in public procurement. (<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPUBLICSECTORANDGOVERNANCE/EXTANTICORRUPTION/0,,contentMDK:23121428~menuPK:384461~pagePK:64020865~piPK:149114~theSitePK:384455,00.html>).

ASEAN Political-Security Community (APSC) Blueprint: As Pillars of Combating Corruption and Promoting Good Governance

ASEAN as a cooperation organization among countries in Southeast Asia established in 1967 has a strategic role in unifying common interest for the realization of peace and prosperity. At a conference in Kuala Lumpur in 1997 jointly agreed by each member state leaders that it is needed to achieve ASEAN Vision in 2020, which is “a concern of Southeast Asian nations, outward looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring society”.

APSC Blueprint is a guideline to realize the ASEAN Vision in the fields of politics and security. APSC Blueprint also provides a roadmap and timetable for the establishment of APSC 2015. The purpose of this APSC is to ensure every member of ASEAN lives in a safe condition from one another, in a democratic and harmonious environment, including safe from acts of corruption as organized crime. APSC promotes political development in democratic principles, law enforcement and good governance and protection of human rights. The characteristics of APSC is built by three pillars, namely “a concern of Southeast Asian nations, outward looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring society”.

To concretise the ASEAN Vision 2020, the ASEAN Heads of States/Governments adopted the Declaration of ASEAN Concord II (Bali Concord II) in 2003, which establishes an ASEAN Community by 2020. The ASEAN Community consists of three pillars, namely the ASEAN Political-Security Community (APSC), the ASEAN Economic Community (AEC) and the ASEAN Socio-Cultural Community (ASCC)

The ASEAN Political Security Community Blue Print adopted by the 14th ASEAN Summit in 2009 specified 3 key areas where the APSC is to be built on: (i) a rules based community with shared values and norms; (ii) a cohesive, peaceful and resilient region with shared responsibility for comprehensive security; (iii) a dynamic and outward looking region.

The APSC shall promote political development in adherence to the principles of democracy, the rule of law and good governance, respect for and promotion, and protection of human rights and fundamental freedoms as inscribed in the ASEAN Charter.

The ASEAN Political-Security Community envisages the following three key characteristics (<http://www.aseansec.org/22337.pdf>).

a). A Rules-based Community of shared values and norms;

Efforts are underway in laying the groundwork for an institutional framework to facilitate free flow of information based on each country's national laws and regulations; preventing and combating corruption; and cooperation to strengthen the rule of law, judiciary system and legal infrastructure, and good governance. Moreover, in order to promote and protect human rights and fundamental freedoms, the ASEAN Charter stipulates the establishment of an ASEAN human rights body.

b). A Cohesive, Peaceful, Stable and Resilient Region with shared responsibility for comprehensive security; in building a cohesive, peaceful and resilient Political Security Community, ASEAN subscribes to the principle of comprehensive security, which goes beyond the requirements of traditional security but also takes into account non-traditional aspects vital to regional and national resilience, such as the economic, socio-cultural, and environmental dimensions of development. ASEAN is also committed to conflict prevention/confidence building measures, preventive diplomacy, and post-conflict peace building.

c). A dynamic and Outward-looking Region in an increasingly integrated and interdependent world.

ASEAN fosters and maintains friendly and mutually beneficial relations with external parties to ensure that the peoples and Member States of ASEAN live in peace with the world at large in a just, democratic and harmonious environment. ASEAN remains outward-looking and plays a pivotal role in the regional and international arena to advance ASEAN's common interests. Through its external relations, ASEAN will exercise and maintain its centrality and proactive role as the primary driving force in an open, transparent and inclusive regional architecture to support the establishment of the ASEAN Community by 2015.

Each of these pillars becomes an integrated unit that is implemented using a comprehensive approach that includes political, economical, socio-cultural, and environmental dimensions of development. Some action formulas to achieve these pillars, especially in order to promote good governance and combating and preventing corruption are as follows:

Promote Good Governance (1.4.)

- I. Conduct analytical and technical studies to establish baselines, benchmarks, and best practices in various aspects of governance in the region;
- II. Promote sharing of experiences and best practices through workshops and seminars on leadership concepts and principles with emphasis on good governance, and on developing norms on good governance;
- III. Conduct a study by 2009 on partnership between public and private sectors and academia in creating a conducive climate for good governance to provide concrete recommendations to appropriate ASEAN sectoral bodies;
- IV. And Promote dialogue and partnership among governments, private sectors and other relevant organisations to foster and enable new ideas, concepts and methods with a view to enhance transparency, accountability, participatory and effective governance

Prevent and Combat Corruption (A. 1.7.)

- I. Identify relevant mechanisms to carry out cooperation activities in preventing and combating corruption and strengthen links and cooperation between the relevant agencies;
- II. Encourage all ASEAN Member States to sign the Memorandum of Understanding (MoU) on Cooperation for Preventing and Combating Corruption signed on 15 December 2004;
- III. Promote ASEAN cooperation to prevent and combat corruption, bearing in mind the above MoU, and other relevant ASEAN instruments such as the Treaty on Mutual Legal Assistance in Criminal Matters (MLAT);
- IV. Encourage ASEAN Member States who are signatories to the United Nations Convention against Corruption to ratify the said Convention;
- V. and Promote the sharing of best practices, exchange views and analyse issues related to values, ethics and integrity through appropriate avenues and fora and taking into account inputs from various seminars such as the ASEAN Integrity Dialogue.

Conclusion

There is a reciprocal relationship between corruption and governance. There is a proportional relationship between the levels of corruption and the level of good governance of a country where a country with a high level of corruption, the condition of good governance is low. On the other side, a country that is able to create good governance, the level of corruption in the country will be smaller. The relationship between them can be seen in cases in the ASEAN countries which Singapore as a country that is able to maintain stability in running the country good governance so the level of corruption in the country is relatively small. Otherwise, the case of Myanmar that the level of corruption is high then the governance index is low.

These conditions make the process of development among ASEAN member countries occur inequality. The development process in the countries that are still facing the problem of corruption experiences barriers. The issue of poverty, the welfare of its citizens and economic growth will progress insignificantly or at a certain level stagnation occurs. Therefore it is important to have strategic steps in fighting corruption and achieving good governance that must be taken by each ASEAN member by imitating on best strategies undertaken by neighboring countries, such as Singapore.

On the other hand, ASEAN as a cooperation organization in the ASEAN region should be able to be a bridge to the creation of the ASEAN region free from corruption. Efforts to realize the two APSC pillars 2015, which promotes good governance and Preventing and Combating corruption should be conducted through concrete actions. APSC Blueprint is expected to be pillars to eradicate corruption and promote good governance for the realization of the ASEAN Community 2015.

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Japan's Defence Cooperation to ASEAN and Issues of Civil-Military Engagement

(31)

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Abstract

The Japan's Self Defence Force (JSDF)'s roles have long been limited under the restriction of the 9th Article of the Japanese Constitution. Within this constraints persisting still, the JSDF has recently been expected to play extended roles in international disaster response and peace support operations by cooperating with the civilian actors including state authorities and humanitarian agencies operating in the field.

Whilst acknowledging the difficulties of constitutional amendments and legal reforms, the Government of Japan has adroitly created new policy guidelines and principles to append formal grounds to rationalise the JSDF's dispatches to overseas with added roles. This paper reveals that they are the processes of the Japanese government's legal manoeuvres in an effort to enabling the JSDF to respond to the rising expectations of new roles in international assistance activities in foreign states and win Japan's presence in the international community. Most recently, the National Security Strategy of 2013 insinuates that the JSDF will be strengthened in peace support and international disaster response activities by utilising the ODA and with NGOs' power. In the same way, the National Defence Program Guidelines for FY 2014 envisions the JSDF with "multi-layered" functions by closer coordination with the relevant ministries for emergency relief activities and peace support operations abroad.

It was those policies that led to the nature of JSDF's mission abroad including its 1,080-strong dispatch to Typhoon Haiyan Emergency Relief Operation in the Philippines in 2013 and "capacity building assistance" by Ministry of Defence, not by ODA, to ASEAN countries.

The JSDF, on the other hand, has found itself in a grave ambivalence in these strategies. In the absence of directions for interpreting these strategies and of common guidelines for implementing them into practice in the operating field, the JSDF has confronted with situations where temporary expedients were needed to fulfil the ambiguous strategies with what it could conduct with the assets it possess. In consequence, the implementations in the field always tend to be an ad-hoc base and the necessary coordination with the relevant civilian agencies likewise tends to be an ad-hoc and personal, not systematic, base. As being discussed amongst the students of inter-agency coordination such as Patrick and Brown (2007) and Stepputat and Greenwood (2013), lack of accordance of national strategies between the capital and the implementers are common failure cause for inter-agency coordination task for development assistance.

Keywords: Japan's Self Defence Force (JSDF)/ Civil-Military Engagement/ Capacity Building Assistance

Objective and Methodology

In the past decade, Japan has kept announcing its determination to contribute even more proactively towards securing peace and stability of the region and the international community. Close cooperation with ASEAN countries has become ever more important. In his keynote address at the Shangri-La Dialogue in May 2014, Prime Minister Shizo Abe pledged that Japan will seamlessly support the capacity of ASEAN countries in safeguarding the seas, by combining various options within Japan's assistance menu, including ODA, capacity building by the Japan's Self-Defense Forces (JSDF), and defense equipment and technology cooperation. Such support to ASEAN countries embodies the implementation of Japan's policy of "Proactive Contribution to Peace" in Asia. Capacity building is not only for development authorities, but also for civilian/military law-enforcement organizations such as Coastal Guards and the Armed Forces in other country, particularly ASEAN member states.

Why does such policy emerge? This is often explained by the security environment which has become increasingly severer which is the rationale behind the policy of Prime Minister Abe's "Proactive Contribution to Peace."

In contrast, this paper presents two hypotheses.

First is dilemma of Article 9 of the Constitution. Almost all of the recent policy documents driven by a series of informal discussions and advisory groups' recommendations submitted to the Cabinet indicate that JSDF must play sufficient roles in wide-ranging support activities for peace and stability of the international community. What is unique is that the government must do as compatible with the restriction of the

Constitution. Most of the documents promote inter-agency cooperation so that Japan can provide various options within its assistance menu. Politicians, academe, and various expat on international security hit upon ideas to combine ODA and JSDF to maneuver the legal restriction.

In order to identify this, this article first looks at the recent developments of the strategic documents produced by the GoJ in an effort to expand the JSDF's roles in peace support operations and disaster relief activities abroad. It examines the processes through which the GoJ has formulated the strategies targeting the JSDF's enhancement by combining with the use of as the ODA and elaborating cooperation with humanitarian agencies like NGOs.

Second is bureaucrats' incentive to avoid "strategic deficit" of inter-agency coordination. This article explains that "Proactive Contribution to Peace" policy is not a fruit of Prime Minister Abe's government, but a product of career staffs of MoD and MOFA since previous government. They have been fully aware that how difficult for MoD and MOFA to work together in international cooperation. That is why they have willingly tried to realize what Prime Minister Abe government conceptualizes, by suggesting "capacity building." This is proven by authors' interview and JSDF's 1,180-strong emergency relief operation in the Philippines in 2013. The authors conducted interviews in March 2014 in Tokyo, with officers from JSDF, MOFA, and JICA. As they were responsible for the Japan's relief operation in the Philippines, their responses are sure to reflect and thus be relevant to the JSDF's approach towards civil-military cooperation.

Capacity Building: Tool to expand SFD's activities abroad through non-use of force missions

JSDF has been deployed overseas for over 20 years for peacekeeping, humanitarian assistance, and disaster relief. Since the JSDF participated in the United Nations (UN) peacekeeping operations in Cambodia in 1992 for the first time, the Government of Japan (GoJ) has attempted to modify its strategies to expand the JSDF's foreign activities in terms of number and assistance menu in order to win its appreciation and recognitions through its civil assistance activities that are easily visible to the international community.

Under the present Constitutional constraints of the Article 9, the JSDF and ODA-related laws identify that JSDF can perform in operations abroad has been blurred, and thus necessitating for each foreign operation to have separate laws identifying the detailed objectives and contents of operations, administering the JSDF's operational ranges and behaviors. This has made the JSDF difficult to enlarge its functions of utilizing the ODA and collaborate with NGOs and other humanitarian agencies in the field.

On July 1 2014, the Cabinet of Japan approved the document that revises the government's interpretation of the war-renouncing Article 9 of the Constitution to reconstruct the legal basis pertinent to the right of collective self-defence, and to international cooperation, including the UN peacekeeping operations.

Before this significant turning point took place, the reports from experts' discussions and policy recommendations submitted to the Cabinet suggested expanding JSDF's roles in peace support operations and international disaster response activities but only in non-use of force missions. Unlike the armed forces of other countries, international contributions by the JSDF has been limited to those that no combat is involved and use of force is confined to strict self-defence case.

Under these legal constraints, the GoJ has sought inter-agency cooperation in international activities among the JSDF with Japanese civilian organisations, such as Ministry of Foreign Affairs (MOFA), the Japan International Cooperation Agency (JICA), and Japanese NGOs, by calling it the "All-Japan" approach. The "All Japan" approach seeks such activities as civil-military cooperation by using the ODA particularly in the areas of capacity-building (e.g. training and education in administrative levels in such areas as peacekeeping, defence medicine, and disaster relief). This approach tends to meet easily the political and legal requirements as such form of cooperation makes the JSDF lesser likely to conduct in a non-combat environment and can be implemented rather with ease without changing legal interpretations regarding the use of force in the JSDF's missions abroad.

Figure 1 shows related legal documents. The JSDF's cooperation with the ODA and NGOs was already emphasized in 2002 when Japan first delegated the JSDF to the Peace Support Operation (PSO) in Iraq. When the Government of Japan launched the Iraq Restoration Assistance Program with the JSDF's participation in December 2003, it stipulated that the JSDF's engineering operations and civil assistance projects should be carried out concomitantly with implementing them by using the Japanese ODA. The Program emphasized the coupling of the JSDF assets and the ODA resources by labelling them "two halves of the whole."

The current interpretation of the Article 9 of the Constitution limits the range of activities within which the JSDF can perform in peace support operations. These legal constraints have limited the JSDF's activities to engineering. However, with this approach enshrined in the new strategic documents, the JSDF has been suddenly placed in a position where it is expected to seek projects that its conventional engineering activities are supplemented by extra elements that could well fit the contexts of the use of the ODA and cooperation with the civilian agencies so that the two appear to have some form of congruity with each other.

Figure: Legal Documents and Policy Recommendation on Japan's International Peace Cooperation

Name	Date Issued	Type	Strategic on SDF's Non-use of force missions	MOFA-MoD Cooperation	SDF-ODA Combination	SDF-NGO Cooperation	SDF's Multi-layered Role	Capacity Building to Asia-Pacific
Report of an Advisory Group on International Cooperation ⁹	2002/12/18	Advisory group's policy recommendations	Japan must search for its distinct approach to UN PKO in areas where the JSDF can collaborate with civilian organisations such as government agencies, medical organisations, research institutions and NGOs. Comprehensive Approach must be pursued whereby the JSDF's engineering activities are supplemented and consolidated by harnessing Japanese ODA.	*	*	*		
National Defence Program Guidelines for FY 2005 and beyond ¹⁰	2004/12/10	Guideline	Japan will actively participate in international peace cooperation activities as an integral part of its diplomatic efforts, including the strategic use of ODA.	*	*			
Report of the Advisory Panel on Reconstruction of the Legal Basis for Security 2008 ¹¹	2008/6/24	Advisory group's policy recommendations	It should be deemed that the Constitution permits SDF personnel's use of weapons to protect themselves in UN PKO.				*	

⁹ <http://www.kantei.go.jp/jp/singi/kokusai/keitei/021218houkoku.html> [in Japanese]

¹⁰ http://www.mod.go.jp/e/da_act/d_policy/pdf/national_guidelines.pdf

¹¹ <http://www.kantei.go.jp/jp/singi/anzenhosyou/report.pdf>

Act for Particular Revision of the Act on Establishment of Defence Agency of 2007	2007/12/22	Law	International peace cooperation were identified as one of the “primary missions” of the SDF.	*	*	*	*	*	*
Japan's Visions for Future Security and Defense Capabilities in the New Era: Toward a Peace-Creating Nation ¹²	2010/8	Advisory group's policy recommendations	JSDF's activities in cooperation with civilian organisations are strongly encouraged. MOD and the JSDF need to further strengthen coordination with ministries and private sector entities from Japan operating abroad, such as the JICA, foreign governments, international organisations, and international NGOs. “Civil-Military Cooperation (CIMIC) has become an important factor in peacebuilding. Japan must avoid sectionalism by carrying out an 'All-Japan' type of international cooperation. Government should define the missions of the SDF in consideration of international common sense and standards, for PSO which evolves into multi-functional activities.	*					

¹² http://www.kantei.go.jp/jp/singi/shin-ampoboue/2010/houkokusyo_e.pdf

National Defence Program Guidelines for FY 2011 and beyond ¹³	2010/12/17	Guideline	Japan will actively engage in diplomatic efforts, including the strategic and effective use of ODA.	*				*
Advisory Group Medium-term report on future PKO ¹⁴	2011/07/04	Advisory group's policy recommendations	JSDF should pursue civil assistance activities utilising Japanese ODA in collaboration with civilian organisations including NGOs.	*	*	*	*	
National Security Strategy ¹⁵	2013/12/17	NSS	Whole-government approach under NSC. Japan will contribute PSO even more proactively. PKO must be effectively implemented through coordination with other activities, including ODA projects. Japan will develop a system that enables assistance to potential recipient organizations that cannot receive Japan's assistance under the current schemes through utilizing ODA and capacity building assistance, as well as coordination with NGOs.	*	*	*	*	*
National Defence Program	2013/12/17	Guideline	Japan will work in partnership with NGOs and other relevant organizations	*			*	*

¹³ http://www.mod.go.jp/e/d_act/d_policy/pdf/guidelinesFY2011.pdf

¹⁴ http://www.pko.go.jp/pko_j/info/pdf/20110704.pdf [in Japanese]

¹⁵ <http://www.cas.go.jp/jp/sryou/131217anzenhoshou/nss-e.pdf>

Guidelines for FY 2014 and beyond ¹⁶						in PSO. Japan will actively promote various international PSO and emergency relief activities in a multi-layered manner. Japan will ensure close cooperation between the defense and foreign affairs authorities.					
Report of the Advisory Panel on Reconstruction of the Legal Basis for Security 2014 ¹⁷	2014/5/15	Advisory group's policy recommendations	It is necessary that JSDF fulfil an even greater role in such areas as reconstruction assistance, humanitarian assistance, education, capacity building and plan formulation. Domestic legislation needs for more proactive contribution to U.N. PKOs in accordance with the Constitution.				*		*		*
Cabinet Decision on Development of Seamless Security Legislation to Ensure Japan's Survival and Protect its People	2014/07/01	Cabinet Decision	JSDF must play sufficient roles in wide-ranging support activities for peace and stability of the international community. JSDF's must participate in PKO sufficiently and proactively. Government will proceed with developing legislation in order to enable the JSDF's use of weapons.								

¹⁶ http://www.mod.go.jp/j/approach/agenda/guideline/2014/pdf/20131217_e2.pdf

¹⁷ http://www.kantei.go.jp/jp/singi/anzenhoseyou2/dai7/houkoku_en.pdf

Though advisory groups have already officially proposed to deem that the Constitution permits SDF personnel's use of weapons to protect themselves in UN PKO and in 2008, it took years before the National Defence Program Guidelines 2013 presented clear direction that Japan will actively promote various PSO and emergency relief activities in a multi-layered manner. National Security Strategy 2013, that was published on the same day as the very first one after Japan established National Security Council, indicates that Japan will develop a system that enables assistance to potential recipient organizations that cannot receive Japan's assistance under the current schemes through utilizing ODA and capacity building assistance, as well as coordination with NGOs.

These are also reflected in Prime Minister Shinzo Abe's speech in the 13th IISS Asian Security Summit (The Shangri-la Dialogue) held in Singapore in May 2014 previous to the Cabinet decision on July 2014. He clearly presents his security strategy on East and Southeast Asia, highlighted three major matters -the rule of law at sea which obviously imply East China Sea and South China Sea, Support for ASEAN, and "Proactive Contribution to Peace" and reconstruction of Japan's legal basis for security.

Japan's Self-Defence Forces are at this very moment working hard to foster peace in South Sudan, only recently independent, under the flag of the United Nations Mission there... There are also a great many civilian UN staffers as well as members of NGOs from various countries. They are all partners with us in the sense that they are all assisting in South Sudan's nation-building. Imagine now that civilians or NGO workers there, powerless to defend themselves came under sudden attack by armed elements. Under the approach that the Japanese government has taken to date, Japan's Self-Defence Forces are unable to go rescue these civilians enduring the attack. Is this an appropriate response into the future? My government is thinking hard about it...It is precisely because Japan is a country that depends a great deal on the peace and stability of the international community that Japan wishes to work even more proactively for world peace, and wishes to raise the banner of "Proactive Contributor to Peace."

His argument is based on the assumption that the SDF works together with other civilians and NGO workers abroad.

The second unique point of Abe's speech in Shangri-la Dialogue his emphasis on the high level of morale of each individual Japanese who provides technical support abroad. He pledged that Japan will provide assistance to ASEAN, combining "various options within its assistance menu, including ODA, capacity building by the Self-defence Forces, and defence equipment and technology cooperation, to support seamlessly the capacity of ASEAN countries in safeguarding the seas."

Quoting examples of capacity building supports includes providing new patrol vessels to the Philippines and Indonesia, and inviting higher-ranking officials within the agencies enforcing maritime law in each of the five major ASEAN countries to Japan to provide training by Japan Coast Guard, he says,

...by cultivating a high degree of morale and proficiency and sharing our stringent training, buds of lasting friendship emerge.

They have also recommend human-to-human technical support or so-called "capacity building" not only for development authorities, but also for civilian/military law-enforcement organizations such as Coastal Guards and the Armed Forces in other country, particularly ASEAN member states.

This also shows nature of Japan's International Peace Cooperation. SDF mission abroad is strictly restricted by laws- no infantry is allowed to dispatch, mainly consist of engineers. In emergency relief operation, the law allows SDF to be engaged in search and rescue, medical assistance, and transportation. Any use of ODA for military purposes or for aggravation of international conflicts is strictly prohibited. That is why Japan must take every measure to find its own way of assistance combining "various options within its assistance menu," not only ODA, in order to get around rules.

Japan's unique strategy promoting civil-military cooperation, strategic use of ODA, and capacity building through Japanese human resource with "high level of morale" has been desperate measure taken under pressure of necessity to show its proactive participation to international peace cooperation.

From Bureaucrats - Conceptual mismatch between the strategic and tactical levels on inter-agency coordination

While these strategic documents address Japan's fundamental direction towards civil-military or MoD-MOFA cooperation, few, if any, provide tactical guidelines on practicing the strategies in actual missions, i.e. how the JSDF and potential civilian collaborators should implement such civil-military cooperation. Thus, the interpretations on implementation of civil-military cooperation can vary between the capital and field level, raising the risk of making the interpretation highly case- and person-dependent.

The colossal typhoon "Haiyan" that caused tremendous damage in various parts of the Philippines in November 2013 led the Government of Japan to provide 56 million USD in financial assistance and to dispatch a medical support team from the Japan International Cooperation Agency (JICA). Apart from the JICA team, the Government of Japan dispatched a 1,180-strong JSDF team to Cebu and Leyte Islands, under its Operation Sankay (meaning "friend" in the Visayan language) between 11 November and 9 December 2013 with the task of providing transportation for service staff and relief goods, pest control, and medical assistance such as vaccinations and health consultations by mobile clinic.

Lacking officers with experience in coordination within the international humanitarian community, the JSDF's medical assistance operation received assistance from the Embassy of Japan in coordinating with civilian actors on the ground, including international organisations, national and local authorities.

The Japanese experience in the Philippines has demonstrated that Japan's current approach to civil-military cooperation in disaster relief lacks institutionalised coordination amongst the civil and military actors both at the strategic and tactical levels. This article explains such challenges from the perspectives of conceptual mismatch between the strategic and tactical levels, pre-operational information-gathering, and human resources. The Japanese cases in the Philippines present various witnesses suggesting inconsistencies and confusion over the strategies that were created in Tokyo on the one hand, and interpreted by the foreign offices and the JSDF officers at the tactical level in the Philippines on the other. It is particularly noteworthy that all the tactical decisions – over whether and with whom civil-military cooperation should be carried out, on what areas the cooperation should cover, and what sort of coordination should be managed in the field – were left to a handful of field staff working in the disaster area. This demonstrates a grave structural deficiency in strategy interpretation at the tactical level, rendering the strategy futile and making the tactics arbitrary.

An officer from the Central Readiness Force (CRF) of the JSDF in charge of civil-military cooperation in *Operation Sankay* explains that there is a shared understanding within the JSDF that the "All-Japan" (Whole-of-Government) approach is essential for their disaster relief operations and international peace support operations. For this reason, there has been constant psychological pressure from Tokyo on the JSDF staff operating in the field to seek out and realise any civil-military cooperation projects possible, and thus, they actively searched for such opportunities. Simultaneously, this civil-military cooperation officer confirms that realising the All-Japan approach should not take priority over responding to the local emergency relief needs. Indeed, there were more pressing needs on which to coordinate with the local authorities and the UN agencies in Tacloban than seeking opportunities for cooperation with other Japanese actors.¹⁸

An expert in JICA's Economic Infrastructure Department, who has field experience in Mindanao in the Philippines, states that the MoD/JSDF need to present clear objectives for utilising ODA for future civil-military cooperation. According to him, the MoD/JSDF may typically assume that an ideal combination between the use of ODA and the JSDF's disaster relief activities could be such that the JSDF would enter into a difficult area where the security situation is so unstable so that civilian agencies have no access; after the JSDF has withdrawn civilian agencies like JICA would continue with development and reconstruction activities using ODA. Such sequencing could be possible at least in theory, he adds. For him, civil-military cooperation cannot be realised without detailed discussions as to what constitutes benefits for both the civilian actors and the JSDF in such a difficult real-life circumstance.

A diplomat at the Japanese Embassy's Provisional Office in Tacloban (see the subsequent section) reveals that, except for the protection of Japanese nationals in the disaster areas, there were no explicit task orders received from the Ministry of Foreign Affairs (MoFA) in Tokyo requesting him and his colleagues to provide official support to the JSDF engaged in Tacloban. He particularly emphasises that there was a serious lack of cohesion between the Ministries of Foreign Affairs and of Defense over public announcements on the JSDF's medical services to be implemented in Tacloban. The JSDF was periodically giving press releases to the

¹⁸ The witnesses described in this article are based on the authors' interview conducted in March 2014. The authors are grateful for their generous contributions.

Japanese Press, but more importantly not to the media in the Philippines. It was essential for the JSDF to publicise its pest control activities (aerosol application) and mobile clinic (see subsequent section) both to give advance notice allowing access to the medical services to as many community members as possible, and to keep track of such activities for future medical reference. Despite this, there was no unified policy as to how the two Ministries in Tokyo should divide their roles vis-à-vis public announcement. At the tactical level indeed, the Provisional Office first sent the advance announcement back to the Embassy in Manila, which is better connected with the local networks, so that the announcement could then reach the Filipino and other media. This important linkage was not formulated by the authorities in Tokyo but came about purely on an ad-hoc and personal initiative basis.

The above-mentioned JSDF officer in charge of civil-military cooperation stresses the urgent need for a system that allows coordination amongst the MoD, the MoFA, and JICA so as to share their field experiences and lessons learnt from the missions in South Sudan and the Philippines. While the Civil-Military Cooperation (CIMIC) section of the CRF does have a knowledge pool, being a small part of such a large MoD system, it has faces difficulties in maintaining exchanges and discussing with other civilian institutions including the MoFA and JICA outside of the field operations. Worse still, there is no equivalent CIMIC section within the MoD proper to discuss civil-military cooperation directly with these civilian institutions.

The efforts by the Embassy's Provisional Office in Tacloban were the *sine qua non* determining factors in realising tasks such as bridging between the local authorities, liaising with the JSDF in cluster meetings at the On-site Operations Coordination Centre (OSOCC – a coordinating body in Tacloban for civilian humanitarian agencies), conducting local studies on local medical demands, and providing the JSDF with community information and language support.

The diplomat at the Embassy's Provisional Office mentioned above raises two points to be improved on the JSDF's coordination with the civilian actors back in Tokyo as well as in the tactical field. The first is that the JSDF was unable to send an Engineering unit with heavy equipment despite the fact that JSDF had clear advance information of a need for such equipment. He learnt from his post-operation study that the mayors of the local authorities, and members of state agencies (particularly the Ministry of Social Welfare and Development), and international agencies had been in need of assistance in shelter building and agricultural reconstruction. In addition, the expectation from the Armed Forces of the Philippines (AFP) was high that the JSDF would play a major role in the mass transportation of relief goods that remained undistinguished, while forklift and other heavy vehicle operators could clear away rubble. The second is that the JSDF had first commenced operations in the north of Cebu Island, and only later did it redirect itself to Leyte Island where the damage was much worse.

The diplomat at the Provisional Office explains that these tactical challenges could have been avoided if the MoFA had arrived into the damaged areas at an earlier stage to allow them to conduct more detailed studies of local needs, so that such information could be delivered to the JSDF more promptly and accurately.

A JSDF officer seconded to the Southeast Asia Division, MoFA, similarly opines that the JSDF/MoD should build up a system in which information-gathering capabilities are constantly strengthened through peacetime exercises. The Act Concerning the Dispatch of Japan Disaster Relief Team requires permission from the Foreign Minister before a JSDF foreign disaster relief team can be dispatched. However, it is technically possible to create at least a provisional legal framework to allow JSDF/MoD staff to travel to disaster areas to study whether or not a JSDF dispatch is truly necessary before actually sending the Japanese troops. If their study concludes that the disaster damage was not such that the JSDF needed to be sent, then, such an advance reconnaissance trip would not be a waste. Rather, more JSDF staff (and defence attachés) capable of such post-disaster needs evaluation should be stationed at all times in the Japanese embassies in disaster-prone countries so that they can instantly relay emergency demands as analysed from the JSDF's perspective in case major disasters hit their stationing countries.

The aforementioned JSDF CIMIC officer reveals that ordinary JSDF staff are usually not able to assume a coordination function as it requires expert knowledge and experience of development assistance and disaster relief. For officers without such attributes, coordination with UN agents and local and national authorities is far beyond their capabilities. For example, they are not familiar with UN cluster systems and the Oslo Guidelines, nor are they aware that the military's approach and mind-set are not always compatible with those of the civilian actors. Their capabilities can be strengthened through peacetime capacity-building of JSDF officers in the above-mentioned areas. Those who are sent on disaster relief and peacekeeping operations need at least a basic understanding of Japanese foreign assistance and international cooperation, this CIMIC

officer continues. According to this CIMIC officer, the embassies are not always in a position to provide the JSDF with support. The JSDF officers on disaster missions must not and cannot entirely depend on the embassy's assistance. For this reason, the JSDF needs to empower troops with established knowledge and experience in international scenarios.

Some key lessons have become apparent through various instances of civil-military cooperation between the JSDF and civilian agencies in Japan. The examples raised above point to the lack of an institutionalised commitment to inter-agency coordination for disaster relief. While there is a solid strategy for civil-military cooperation for disaster relief and peace support missions, the interpretation framework is not yet in place to allow such strategy to be realised in the field in concrete form.

It is noteworthy that such lessons are indeed not all new but have been repeatedly highlighted theoretical studies in inter-agency coordination for disaster relief and peace support operations. For instance, Nilsson, Hull, Derblom and Egnell warn of a "strategic deficit" (Olson, 2007) – strategic plans designed in the capital being often too vague and abstract to be translated to a tactical level, and too few concrete directions being given for creating effective mechanisms for civil-military cooperation. Olson and Gregorian, who studied inter-agency and civil-military coordination in the peace support operations in Afghanistan and Liberia, are similarly alarmed at the existence of such a strategy-theatre gap from the civil-military cooperation perspective. They emphasise the need for a common implementation framework for all the relevant civilian and military actors to identify, *inter alia*, their areas of responsibility, short-term/long-term objectives, and timeframe of their interventions. The JSDF's experience in the Philippines can be another classic example for those making theoretical studies of inter-agency and civil-military cooperation. It is crucial to go back to these studies anew and review what the observers in the recent histories have learnt and shared in order to improve inter-agency coordination for future disaster relief operations.

While the Whole-of-Government strategy has become one of Japan's major approaches to civil-military cooperation in disaster relief activities, the JSDF's experience in the Philippines demonstrates that concrete measures are still needed to translate such strategy to the tactical level. Practical steps are necessary to realise institutionalised inter-agency coordination to prevent the risk of a mission becoming stalled and perhaps even harming, rather than assisting, the intended beneficiaries.

For those who experienced this "strategic deficit," capacity building to ASEAN member states in non-disaster period or peacetime is significantly important not only for its goal to enhance bilateral strategic cooperation and ensure security environment in the region, but also to train themselves. Japan can share same value of freedom and democracy with ASEAN members states unlike conflict countries where the JSDF and MOFA encountered in the past international peace support operations. Given non-conflict, non-emergency setting, ASEAN is a good laboratory in search for new model of Japan's international cooperation.

Conclusion

This article analyzed that, Japan's recent defense cooperation to ASEAN member states are created basically by two factors. First, GoJ has tried to combine ODA and JSDF in restriction of Article 9 of the Constitution. The documents created by the advisory groups and recent GoJ's strategic policy papers shows such trends well. Second, career bureaucrats from both MoD and MOFA tried to avoid "strategic deficit" by enhancing inter-agency coordination to create new scheme of aid to Southeast Asian countries. As seen in the case study of JSDF's relief operation in Typhoon Haiyan, there has been no comprehensive framework for MOD-MOFA emergency relief coordination framework, nor operational guideline on JSDF-ODA cooperation. As a result, staffs from MOFA and JSDF tried to seek ad-hoc cooperation in field-base without any implementing strategy from headquarters. Studying needs and feasibility in ASEAN countries through cooperation between MoD and MOFA is considered as a learning process of both of them, in order to seek more effective and efficient inter-agency coordination for new era of Japan's international cooperation.

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Institutionalizing Adaptation and Mitigation Initiatives in Agriculture (AMIA) as a National Strategy Towards Food Security

(32)

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Abstract

Food security remains the overarching goal of the Department of Agriculture (DA). Republic Act 8435 more known as the Agriculture and Modernization Act of 1997 stated that food security refers to the *“policy objectives, plan and strategy of meeting the food requirements of the present and future generations of Filipinos in substantial quantity, ensuring the availability and affordability of food to all, either through local production or importation, or both, based on the country’s existing and potential resource endowment and related production advantages, and consistent with the overall national development objectives and policies.”*

As the ASEAN Economic Community (AEC) is nearing its formalization on December 2015, the ASEAN member countries are now in the midst of assessing their capabilities and preparing for the anticipated heavy challenges to be brought by this economic regional integration. As one of the main characteristics and elements of AEC is a single market and production base, this necessitates for a more proactive and aggressive initiatives of the Department of Agriculture to make the agriculture and fishery sector be more competitive, market-driven, fit and prepared for this integration as well as ensuring protection of the country’s farmers and fishers and food security for all.

AEC is just one of the multifold challenges confronting the sector. The Philippines being an archipelagic country have been ranked by the World Risk Index as the third most vulnerable country to climate change and disasters for three consecutive years (from 2011- 2013). Climate change issues and concerns pose to be a very real and grave threat to the sector in achieving first and foremost food security as well as trying to be competitive for the ASEAN region and the global market.

Recognizing these challenges and aligning with the Climate Change Act of 2009 (R.A. 9729), mandating the *“mainstreaming of climate change in policy formulation, such that policies and measures that address climate change are integrated in development planning and sectoral decision-making,”* the Department of Agriculture created the Adaptation and Mitigation Initiatives in Agriculture (AMIA) as a national strategy.

AMIA aims to address the two main focus of climate change, i.e. adaptation and mitigation. The program aims to develop a resilient agriculture and fishery sector, by providing efficient and resilient support services to agricultural and fishing communities and livelihoods. AMIA is mainstreamed in DA operations by first addressing the knowledge, attitudes, and skills (KAS) of people in the organization. Through this process, an organizational culture that has deep appreciation of climate change & sustainable development shall be developed, such that climate change is considered systems-wide, i.e. in all departmental policies across functions and agencies. The seven systems-wide programs or components of AMIA are as follows:

Mainstreaming Climate Change Adaptation and Mitigation Initiative In Agriculture (AMIA)- involves the changing of systems, adjusting development programs/projects and capacitating people to adequately address climate change risks.

Climate Information System (CIS) - development of better and timely advisories and reliable weather data for the agriculture and fishery sectors to reduce risks from weather based disasters.

Philippine Adaptation & Mitigation in Agriculture Knowledge Toolbox - inventory, generation and dissemination of adaptive tools, technologies and practices to farmers and fisher folk Climate - Resilient Agriculture Infrastructure - development of new designs and construction protocols that can withstand extreme weather events to be “more durable and all-weather”.

Financing and Risk Transfer Instruments on Climate Change - provision of insurance for crops, livestock, fisheries and other production assets and the producers (farmers/fisher folks) as well as climate change adaptation credit facility Climate –Resilient Agriculture& Fisheries Regulations - setting new standards and monitoring systems for agri- and fishery infrastructure and facilities, as well as revising regulations to

better meet climate change issues Climate-Resilient Agriculture and Fishery Extension System- improving the timeliness, content and manner of delivery for better messaging of climate information, adaptation and mitigation technologies, policies and regulations

Keywords: Agriculture and Modernization Act/ ASEAN Economic Community/ Philippines

ASEAN, Food Security and Climate Change

The ASEAN Vision 2020 aims to transform ASEAN member countries into a “stable, prosperous and highly competitive region with equitable economic development and reduced poverty and socio-economic disparities,” with a strong commitment to hasten establishment of the ASEAN Economic Community (AEC) by 2015, and abide by and implement its blueprint. With the single market and production base being one of the pillars of AEC, there will be “free movement of goods, services, investment, skilled labor and free flow of capital among the ASEAN’s member countries.” (ASEAN, 2008, p. 5)

For the agriculture sector, this economic integration would necessitate each member country to have an assured volume of production and enhanced product quality and safety as there will be an anticipated increase in competition, alliance, linkages and partnerships among the member states. In general, food, agriculture and forestry are considered as important components of the AEC and issues on trade, food safety and market access and linkages are highlighted in the AEC blueprint.

However, for developing countries, competitiveness and regional alliance aren’t all there is for the agriculture sector. Food security issues primarily need to come first. Food security concerns, on the other hand can be found in the domain of the ASEAN Socio-Cultural Community (ASCC), another pillar of the ASEAN Community which emphasizes social responsibility, people-centeredness and the need to ensure adequate access to safe food at all times for all ASEAN people (ASEAN, 2009). Many considered food security as a globally important and highly complicated issue that is susceptible to many rarely confined forces such as climate change, population growth, urban development and oil price shifts (www.pulitzercenter.org). Recognizing this, together with the aim of softening the impacts to the most vulnerable part of the population, ensuring food security and improving the livelihoods of the farmers in the member states, a more detailed action programs and strategic pursuits on food security were developed and concretized in the Strategic Plan of Action on Food Security (SPA-FS) under the ASEAN Integrated Food Security (AIFS) Framework, which is a long-term agricultural development plan focusing on sustainable food production and trade.

Soriano (2011) asserted that the future of Southeast Asia will not be secured without a strong and unified action on climate change while Trevisan et al., (2013) and Bernabe (2012) stated that climate change is a critical challenge bringing in far reaching social and economic consequences, exacerbates economic disparity between and within nations and will cripple the ASEAN goal of economic integration by 2015. Specifically, in addressing food security issues, the ASEAN is cognizant of the serious threats brought about by the changing climate and how it impedes the food security and poverty alleviation goals particularly of developing member states. The high vulnerability and risk of the ASEAN region to the adverse climate change effects and impacts has been recognized by a lot of authors and reports from important ASEAN meetings (ASEAN, 2012). The inherent vulnerability of the Southeast Asian regions to climate change may be attributed to the high concentration of people, high levels of extreme poverty, economic activities in coastal areas, heavy reliance on agriculture for livelihoods and high dependence on natural resources and forestry, all of which has high sensitivity to extreme weather events (Sahraie, 2011 and ASEAN, 2009). Extracted from the World Risk Report (WRR), Table 1 shows that four (i.e. Philippines, Cambodia, Brunei and Vietnam) of the ASEAN member states belong to the Top 20 countries in terms of disaster risks in 2013 and 2014. The WRR index focuses on the country’s exposure, vulnerability, susceptibility and the social vulnerability of its population in terms of coping and adaptive capacities.

Table 1. ASEAN Member State's risks to climate change according to World Risk Report, 2013-2014

ASEAN State	2013		2014	
	Rank	Index	Rank	Index
Brunei Darussalam	12	15.80	12	16.23
Cambodia	8	16.90	9	17.12
Indonesia	33	10.54	34	10.55
Lao People's Democratic Republic	102	5.71	100	5.75
Malaysia	89	6.45	88	6.51
Myanmar	42	9.10	43	9.14
Philippines	3	27.52	2	28.25
Singapore	159	2.49	165	2.25
Thailand	94	6.34	89	6.38
Viet Nam	18	12.81	18	13.09

Source: World Risk Report

Given the high risk and exposure of some ASEAN member countries on disasters and other extreme events, the ASEAN Secretariat asserted that the "ASEAN is addressing climate change, not just through a policy on climate change, but through a framework of ASEAN Community building, with strategies and actions rooted in the various development and sectoral areas" (Letchumanan, n.d).

The ASCC which was launched in 2009 as part of the Roadmap for an ASEAN Community, together with AEC and ASEAN Political Security Community (APSC), identifies climate change as part of its ten priority areas of regional importance and focuses on the "implementation of mitigation and adaptation measures based on the principles of equity, flexibility, effectiveness, common but differentiated responsibilities, respective capabilities, as well as reflecting on different social and economic conditions" (ASEAN, 2009). With the unequivocal evidences that climate change pose serious and grave threats to agriculture, water resources and biodiversity, Action Program No. 6 of the ASEAN Integrated Food Security (AIFS) Framework stresses on addressing the impacts of climate change in particularly to food security.

The Philippine Agriculture

The Philippines is situated within the typhoon belt of the Western Pacific. This geographical location has exposed the country to various climatic hazards and risks. From 2011-2013, the World Risk Report indicated that the Philippines ranked third among all countries in terms of disaster risks and in 2014, it has stepped higher and ranked second next to Vanuatu, an island nation in the South Pacific Ocean, which remained in Top 1, the highest risk, for four years in a row. As an archipelagic country, the Philippines has been traditionally exposed to and has long been vulnerable to weather hazards and risks which was further exacerbated by the undefined shifts in climatic events. The Southeast Asia's multiple climate hazard map (Figure 1) developed by Yusuf and Francisco (2009) shows the very high Multiple Climate Hazard Index for the Philippines. Table 2, also from the same authors, further identified that tropical cyclones is not the only hazard the Philippines is exposed to, but also other climate-related hazards like floods, landslides and droughts. Practically all the regions of the Philippines are exposed to and have extremely high risk to various climate-related hazards.

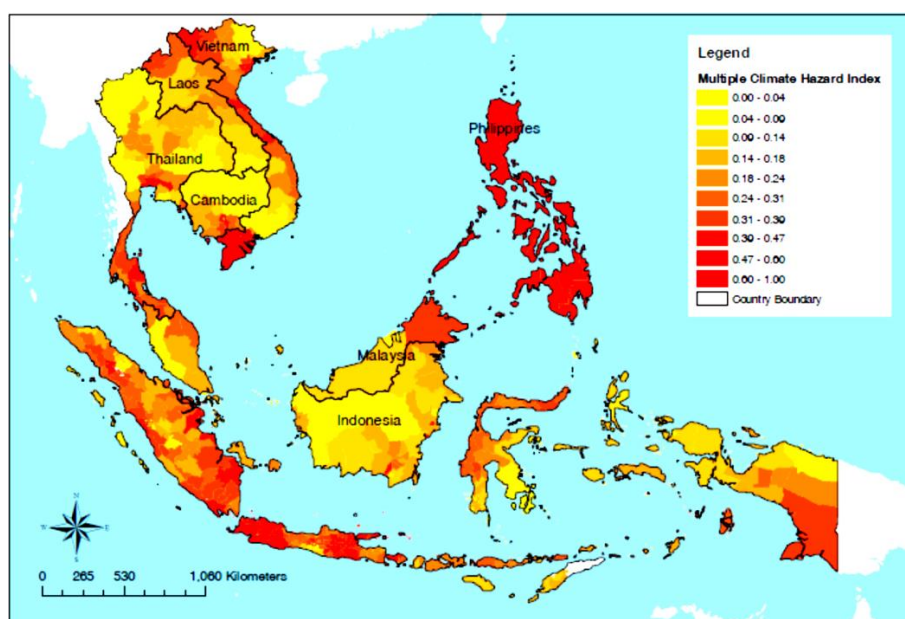


Figure 1. Multiple climate hazard map of Southeast Asia (Yusuf and Francisco, 2009)

Table 2. Climate hazard hotspots and dominant hazards

Climate hazard hotspots	Dominant hazards
Northwestern Viet Nam	Droughts
Easter coastal areas of Viet Nam	Cyclones, droughts
Mekong region of Viet Nam	Sea level rise
Bangkok and its surrounding areas in Thailand	Sea level rise, floods
Southern regions of Thailand	Droughts, floods
The Philippines	Cyclones, landslides, floods, droughts
Sabah state in Malaysia	Droughts
Western and eastern area of Java Island, Indonesia	Droughts, floods, landslides, sea level rise

Source: Yusuf and Francisco, 2009

The agriculture and fisheries sector remains an important part of and contributor to the Philippine economy. It provides food and vital raw materials for the rest of the country and it is itself a significant market for the products and services of the non-agricultural economy (NEDA). As reported by the Philippine Development Plan 2011-2016, the growth in agricultural gross value-added (GVA) has been erratic since 1980's and this can be partly attributed to the impact of severe weather risks and the periodic occurrence of the El Niño and La Niña phenomena.

The performance of the agriculture and fisheries sector is largely influenced and highly dependent on climatic and weather conditions. Hence, beyond normal changes in temperature, erratic rainfall conditions, sea level rise, ocean acidification and occurrence of other extreme weather conditions could lead to the following: physiological stress in crops and animals, exacerbated occurrence and population of major pests and diseases as well as emergence of new pests, decline in volume and quality of products, soil erosion, decline in soil fertility and productivity and many more (DA-BAR, 2011). All of which cause significant reduction in yield, production and productivity. Hence, addressing climate change issues in agriculture and fisheries is of prime importance as it puts in grave risks not just the livelihood nor the quality of life but as Pronk and Haq (1992) has it, "the life itself" of the marginalized and vulnerable actors of the sector, the farmers and fisher folk.

Adaptation and Mitigation Initiatives in Agriculture (AMIA)

The Department of Agriculture (DA) is the executive department of the Philippine Government mandated to promote agricultural and fisheries development and growth in accordance with the principles of poverty alleviation and social equity, food security, rational use of resources, global competitiveness, sustainable development, people empowerment and protection from unfair competition. Recognizing that climate change threatens the country's food security as well as gravely increasing rural poverty, the DA Systems-Wide Climate Change Office (DASW-CCO) was created under the Office of the Undersecretary for Policy & Planning, to "facilitate the crafting and review of policies related to climate change adaptation and mitigation programs of the Department as well as to ensure the consistency of these policies with national priorities, international treaties and multi-lateral agreements" (DA, n.d.).

The department, through the DASW-CCO created the Adaptation and Mitigation Initiatives in Agriculture (AMIA) program, a national initiative and strategy towards a resilient agriculture and fisheries sector by providing efficient and resilient support services to agricultural and fishing communities and livelihoods. The program was formalized in the first quarter of 2013 through a memorandum on "Mainstreaming Climate Change in the DA Programs, Plans, & Budget" wherein the department's operating units are enjoined to integrate climate change issues in the regular operations and in all decision-making processes– from planning, prioritization, implementation, monitoring and evaluation.

The overall and central leadership of mainstreaming AMIA is lodged under the DASW-CCO. The AMIA's systems-wide programs (Table 3), on the other hand, are spearheaded by the different DA operating units initially identified by DASW-CCO in accordance to their respective mandates. To give specific example, the Bureau of Agricultural Research (BAR), a staff bureau was tasked to lead the Philippine Adaptation and Mitigation in Agriculture Knowledge Toolbox as it is mandated to lead and coordinate the research and development activities of the department while the Climate-Resilient Agriculture and Fishery Extension System was assigned to the Agricultural Training Institute (ATI), being the extension arm of the DA to the local government unit (LGUs) and other extension service providers (ESPs). Each lead agency was tasked to perform their mandates in accordance to the priorities and thrusts of AMIA and to report to DASW-CCO respective accomplishments and other relevant updates.

The AMIA initially received a minimal amount of funding during the first year (i.e. PhP 5 Million in FY 2013) of its implementation which mainly covered expenses of the DASW-CCO to advocate and to increase the level of awareness of the different operating units within the department on issues of climate change in the agriculture and fisheries sector and how to effectively mainstream climate change concerns in their respective institutions and in their specific functions, programs and activities.

Table 3. AMIA's system-wide programs

Program	Description
Mainstreaming Climate Change Adaptation and Mitigation Initiative In Agriculture (AMIA)	involves the changing of systems, adjusting development programs/projects and capacitating people to adequately address climate change risks
Climate Information System (CIS)	development of better and timely advisories and reliable weather data for the agriculture and fishery sectors to reduce risks from weather-based disasters
Philippine Adaptation & Mitigation in Agriculture Knowledge Toolbox	inventory, generation and dissemination of adaptive tools, technologies and practices to farmers and fisher folk
Climate- Resilient Agriculture Infrastructure	development of new designs and construction protocols that can withstand extreme weather events to be "more durable and all-weather"
Financing and Risk Transfer Instruments on Climate Change	provision of insurance for crops, livestock, fisheries and other production assets and the producers (farmers/fisher folks) as well as climate change adaptation credit facility

Climate –Resilient Agriculture & Fisheries Regulations	setting new standards and monitoring systems for agri- and fishery infrastructure and facilities, as well as revising regulations to better meet climate change issues
Climate- Resilient Agriculture and Fishery Extension System	improving the timeliness, content and manner of delivery for better messaging of climate information, adaptation and mitigation technologies, policies and regulations

The different operating units assigned to lead the systems-wide programs on climate change did not receive any funding support with the premise that “mainstreaming AMIA” would mean that whatever program, project or activity an operating unit of the Department of Agriculture has must be in support to and towards the climate-resiliency of the sector. Hence, their existing regular budgets must be in support to the AMIA implementation. This makes AMIA not just a regular program of the department but can be seen as a rule-changing mechanism fashioning each operating unit to do away with the business-as-usual approach. AMIA tries to advocate that if the Department of Agriculture is mandated to promote poverty alleviation and ensure food security for the Filipino people, then it has to recognize first and foremost that climate change issues and concerns are serious threats that could gravely impede the achievement of these goals.

Nonetheless, the rate and scope of implementation of the systems-wide climate change programs varies across the different operating units. With limited downscaled climate information and in consideration of the relative newness of the AMIA approach in the planning and budgeting processes coupled with the traditional bureaucratic realities, the DASW-CCO has no strict protocols nor guidelines yet to which each agency can be assessed in its mainstreaming compliance and implementation of the climate change programs. They also haven’t come up yet with department-wide criteria on measuring what program, project or activity can be classified as a climate change approach in contrast to the usual programs, projects and activities the operating units currently implement. Hence, each lead agency has its own interpretation on what comprises adaptation and mitigation measures and how they could appropriately address climate change concerns with respect to their specific mandates.

There was a marked increase in the financial support of the national government to the implementation of AMIA in the following year (i.e. PhP 150 Million in FY 2014). A portion of the AMIA funds is still intended for more vigorous climate change advocacies and capability and empowerment activities within the department. However, the bulk of this fund is intended for the conduct of various policy and technical studies to better understand the challenges encountered, the strategies implemented and the impact generated (to the respective institution and their clientele) in mainstreaming climate change across functions and agencies in the Department of Agriculture. This will then serve as guideposts for the modification of existing programs and projects, changes in designs and specifications of future initiatives and an over-all formulation of more efficient, responsive and appropriate climate change related policies in agriculture research, extension, and regulations. With appropriate policies and technical specifications in place, translated into definitive systems, procedures and protocols, it is expected that a more client-responsive agriculture and fisheries support services will be achieved.

With the current issues and controversies confronting the Philippine bureaucracy, evaluation, awarding and implementation of AMIA’s policy and technical studies are currently facing a lot of stringent and rigorous administrative processes and protocols. Hence, even as the end of FY 2014 is nearly approaching, there are no policy and technical studies conducted yet. The DASW-CCO hopes to award the projects before the year ends for them to start during the early part of FY 2015. As of the moment, with the lack of internal DA policies, guidelines and criteria in place for the assessment of the systems-wide programs, the DASW-CCO just continues to advocate and implant the need for the agriculture and fisheries sector to address the effects of climate change by increasing the adaptive capacities of farmers and fisher folk and modifying farmer practices to mitigate greenhouse gas emission of the sector, and by the meantime, to leave it to the lead agencies on how they will go about it.

AMIA as a Sustainable Development Approach

In spite of the current weaknesses and limitations of AMIA, the potential of this DA initiative to contribute to the over-all resiliency of the sector is high and really promising. Likened to sustainable development, AMIA as well, is a development paradigm and has a noble aspiration specifically for its marginalized and vulnerable actors, the farmers and fisher folk.

Essentially, the resiliency of the support services that the department can provide to their clients, primarily the farmers and fisher folk would support and contribute to the overall resiliency of the agriculture and fisheries sector. AMIA, at first glance, may be thought of as an environmental approach considering that almost all of its systems-wide programs contain the word “climate or climate change” in it. However, a more in-depth analysis and investigation of the program’s thrusts, directions and activities shows the convergence of the three pillars of sustainable development, namely: economic development, social equity and environmental protection.

The “classic” definition of sustainable development based on the 1987 Brundtland Report is “development which meets the needs of the present without compromising the ability of future generations to meet their own needs.” AMIA’s two flagship activities are increasing adaptive capacities of farmers and fisher folk and mitigate greenhouse gas (GHG) emissions of the sector. Increasing the adaptive capacities of the farmers and the sector as a whole will increase the chance of meeting the food requirements of the country at present and in the future while an improvement of management practices to lessen GHG will ensure that the sector will not further contribute to the ozone layer depletion and the continuous warming of the planet.

Looking closer, adaptive capacities can be increased by the provision of timely advisories and reliable weather data to know specifically when and when not to plant or harvest the produce; development and dissemination of technologies such as drought/saline/submergence tolerant varieties and climate-resilient breeds; adjustment of cropping and breeding calendars to for better production efficiency and product volume and quality; identification of alternative, affordable and indigenous feeds, feed ingredients, medicines and other inputs for crops, livestock and fishes; more durable postharvest facilities and other agricultural tools, machineries and storage and processing facilities for farmers’ produce and provision of insurance and credit facility among others. Greenhouse gasses (GHG) emission reduction particularly for the crops and livestock sector can be an offshoot of the improved farm and waste management practices as well as modification in the inputs provided such as feeds and fertilizers.

The improved practices, technologies and services are visualized to not just aim for environmental protection and collective consciousness of the carrying capacity of the natural resource but also to package the multitude information in such a way that the farmers and fisher folk (also in close collaboration with the local government units) will find it easier to understand and utilize to basically help improve their yield, productivity and income. Ultimately, the DA, through the AMIA program envisions to contribute to their (farmers and fisher folk) empowerment, having more knowledge, more information to process and more responsive support services that could provide the necessary resources for their improved crop/livestock/fisheries productivity and livelihood. Improvement in farmer’s and fisher folk’s livelihood and income would translate to the productivity of the agriculture and fisheries sector and will contribute significantly to the still agriculture-based economy of the country.

Within these contexts, AMIA is considered as a promising program and initiative of the Department of Agriculture. It is slowly and painstakingly taking serious on-the-ground structural and institutional actions within the department. Its long-term vision is ultimately for the sector’s core clientele, the farmers and fisher folk, but it also recognizes that policy and technical studies are essential and primordial as the results from these studies will help improve the existing system and help design future ones making the present and future programs at a minimum more responsive and sustainable.

AMIA represents convergence within the DA family, continuity of support services and deep structural and institutional changes. The difficulties the DASW-CCO currently experiencing are natural elements of the change processes. DASW-CCO’s position on laying the ground work first by utilizing its funds for the conduct of policy and technical studies to serve as guideposts for and to capacitate its operating units, instead of immediately succumbing to the results-based and beneficiary/clientele-first orientation and stance of most of the oversight agencies is commendable.

It was also observed that AMIA was able to found the entry points that would gradually guarantee compliance and mainstreaming of its thrusts and priorities. Initially, The Department of Budget and Management (DBM) and Climate Change Commission’s (CCC) Joint Memorandum Circular 2013-01 on the Guidelines in Tagging/Tracking Government Expenditures for Climate Change in the Budget Process mandates all the offices of the National Government to identify, tag and track all climate change related expenditures in recognition of global climate change as a key development issue for the present and the future and its severe consequences for the economy and the society. Then, the DBM’s National Budget Memorandum No. 120 (2014) on Budget Call for FY 2015 has included Budget Proposal Form 201 F which requires national agencies to include as part of the budget proposal, their expenditures on climate change. Instructions such as these from the

oversight agencies largely influence national implementing agencies' mindsets and contribute to the collective and conscious efforts of including climate change issues and concerns in the national government's plans, budget and other processes.

AMIA and the ASEAN Connectivity

Southeast Asian regions have very high vulnerability to the negative effects of climate change (Trevisan et al., 2013) which can be attributed to their geographical location and heavy reliance and dependence on agriculture and natural resources for livelihood. The ASEAN Community's dominant paradigm of a stable and prosperous economic development and integration is threatened by problems and challenges brought about by the changing climate conditions.

In view of this, the ASEAN created a dizzying array of blueprints, framework, strategies, reports, action plans and initiatives among many others. The ASEAN Economic Community blueprint, ASEAN Socio-cultural Community blueprint, ASEAN Multi-sectoral Framework on Climate Change, ASEAN Integrated Food Security Framework, Strategic Plan of Action on Food Security, ASEAN Climate Change Initiative, ASEAN Working Group on Climate Change, ASEAN Ministerial Meeting on the Environment and others tackle issues of climate change and food security. In spite of this, Sahraie (2011) observed that "while ASEAN has been proactive in the development of adaptation- related programmes, their implementation has been limited. The notable lack of effective implementation mechanisms to address the issues of monitoring, reporting, sanctions and non- compliance as well as the scarcity of legally binding agreements indeed constrains the effectiveness of ASEAN's efforts to pro-actively address climate change."

Aside from the creation of institutional and policy frameworks, essential requirements are crucial for the development and implementation of appropriate adaptation and mitigation strategies and mechanisms in the region. The identified essential requirements are the following: improved technologies, good quality information and effective support system (Sahraie, 2011). The same author argued that improved technologies and good quality information are indispensable in understanding the climate change phenomena, its impacts, adaptation needs and appropriate design and implementation of adaptation measures. This perspective embodies the AMIA's position on conducting policy and technical studies first in order to have a more in-depth assessment of the sector and its current programs and capabilities in order to develop appropriate policies and recommend more accurate or suitable technical specifications on future efforts and programs.

As identified in the ASEAN's Joint Response on Climate Change, the improved technologies and good quality information can be made available by enhancing regional research cooperation and coordination, strengthening science and policy interface, promoting common understanding on institutional arrangements for accessing multilateral funds and sharing of information and experiences on ongoing and planned efforts and initiatives. The ASEAN can provide the basis for all of this regional collaboration to occur, but ultimately the national government should provide the necessary support system (Sahraie, 2011). Within the domain of the agriculture and fisheries sector, the AMIA, in spite of its current limitation is observed to have conscientiously started laying the ground work for an effective support system for the integration and collaboration of efforts in addressing climate change and food security issues.

Over and above all of the challenges confronting each nation, the ASEAN region and the world, it is climate change which ultimately needs a unified response (Soriano, 2011). Individual countries' mitigation and adaptation efforts are not enough (Trevisan et al., 2013). The ASEAN's focus on material and physical connectivity such as linking products, markets and services are not enough. Rather, an integration and connectivity that would urgently and decisively address the greatest threat not just to the development, not just to the quality of life but to the life of the whole ASEAN people must be of paramount importance. AMIA shows a lot of potential to become the nexus where the ASEAN could hinge upon in its collaborative activities for the agriculture and fisheries sector. With high hopes and with great amount of work, AMIA could bring about real systematic changes that could withstand volatile and impermanent administrative term and other bureaucratic realities.

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Public Finance in the ASEAN: Trend and Patterns

(33)

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Abstract

The governments of ASEAN member countries play an important role in the development or continuous development of their respective economies and improvement or continuous improvement of the quality of life of its people. Each government can utilize the fiscal tools of taxation, the budget, and borrowing to influence private sector investment and performance, and to direct the government's fiscal programs and accompanying expenditures towards the promotion of the general welfare of society as a whole. Amidst international suggestion on any government to adopt the broad policies of privatization, liberalization, contracting out, decentralization and minimum intervention in the economy, a government's fiscal role has never been more important and remains critical as it continuously endeavors to raise the quality of life of its people.

Keywords: Public Finance/ ASEAN

Introduction

Fiscal policy tools such as taxation, budgeting, and borrowing are instruments for long term growth and development. They define the extent to which government is able to accomplish its development programs and projects, and therefor the extent to which the government is able to achieve its vision of inclusive growth, good governance, and global integration. In principle, nothing can be done by government without the appropriate budget, and budgets are primarily funded by tax and non-tax revenues and borrowing. Fiscal policy and fiscal sustainability underlines macroeconomic stability. This paper highlights the connection between fiscal policy and inclusive growth and development. That is, there must be a connection between taxation and borrowing, on one hand, and inclusive growth and development on the other hand.

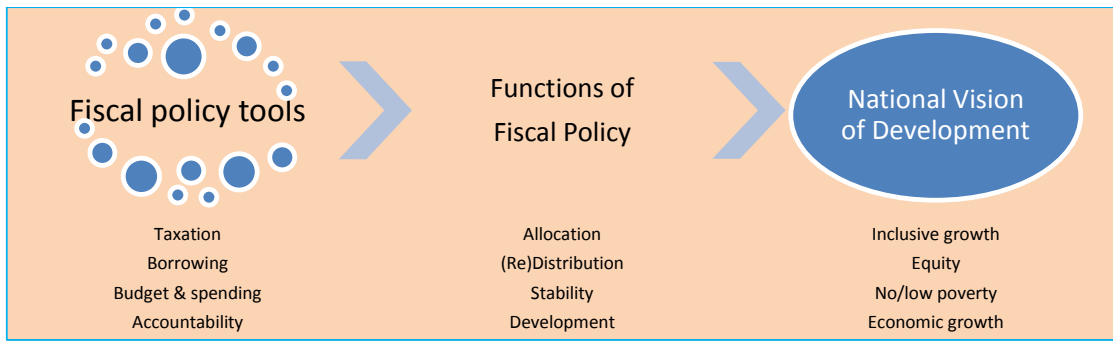
Inclusive and Growth: The Importance of Fiscal Policy

Fiscal policy is the government's main tool to implement its development vision and economic growth objectives. The importance of fiscal policy (budget, taxation and borrowing) arises from the fact that the government cannot undertake any action without the accompanying appropriate funding. Government funds come mainly from taxes and borrowing. Taxes are people's compulsory payment to government and are generally based on income, consumption, wealth ownership, rights and privileges granted, and conduct of economic activities. When income from taxation is not sufficient to defray the cost of running the government, the government borrows money from domestic and foreign sources. Borrowed money needs to be paid back with interest. Generally, borrowings are amortized using income from taxes, fees and charges. In the end, people's taxes are used to pay back borrowed money, making borrowing a deferred form of taxation.

In a regime of balanced budgets, revenues (excluding borrowing) must equal expenditures. But normally, the government wants to do more, wants to undertake a lot of projects and tends to propose a budget that is bigger than expected revenues. Thus, government tends to exercise its authority to borrow for growth and development, and incur an unbalanced budget. Where expenditures are bigger than the expected revenues, the government incurs a budget deficit; otherwise, there is a surplus. Borrowing per se is not bad. However, the government must be able to properly manage its debts at the same time that it must ensure that borrowed money is spent on the projects for which the money was borrowed. In principle, borrowings must be utilized on projects that can pay for themselves, contribute to higher productive capacity, employment, create more goods and services, and cause a higher GDP. Borrowing must never be used to fund salary increases and personal benefits of government officials and employees.

Simply put, fiscal policy tools such as taxes and public spending must be able to allocate the nation's resources (private and public) in order to create the goods and services needed by the people, to achieve a more desirable income and wealth distribution, to achieve full employment and stable prices, and to finally achieve the desired state of national development. The desired state of development is defined in the government's vision for the country as a whole, which is highlighted by the government's desire for inclusive growth, equity, poverty eradication, as well as economic growth.

Figure 1. Framework of analysis



Purpose of the Paper and Data Sources

The paper analyses the trend and patterns in public finance in the ASEAN. It seeks to find out the connection between the theory of public finance and its practice and observed reality. There are two basic research questions that the paper intends to answer, to wit: (1) What are the trends in fiscal policies of ASEAN countries; and (2) How have fiscal policies improved the socio-economic conditions in the ASEAN countries.

Data sources for this paper are gathered largely from existing materials from libraries, the internet, and websites of relevant agencies and institutions. Data limitations are acknowledged and analysis is similarly restrained by the unique characteristics of each of the ASEAN members, which all rendered comparison difficult or inappropriate.

Brief Profile of the ASEAN Economies

The ASEAN is an organization of ten countries in Southeast Asia. Following the international classification of economies done by the United Nations agencies, the World Bank, the ten ASEAN members become a heterogeneous group. Two countries are classified as high-income; 2 belong to the upper-middle income category; 3 belong to the lower-middle income group, and 3 others classified as low-income. As a group, ASEAN has a total population of more than 625 million in 2013, occupying a total land area of 4,435,617 square kilometers. The most populous of the members is Indonesia with a total population of more than 248 million in 2013, and the smallest is Brunei Darussalam with a population of less than half a million. The diversity of the ASEAN countries is represented in many ways, for instance, in the various official languages and dialects spoken. (Please refer to the table 1).

Table 1. Categories of ASEAN Member Countries, Population and Land Area

World Bank Categories of Economies	Country	Population, 2013	Total Land Area, sqkm	Population Density	Capital	Official Languages
1. Low income	Myanmar	61,573,800	676,577	91/sqkm	Naypyidaw	Burmese
	Lao PDR	6,644,000	236,800	28/sqkm	Vientiane	Laosian
	Cambodia	14,962,600	181,035	83/sqkm	Phnom Penh	Khmer
2. Lower-middle income	Vietnam	89,708,900	330,951	271/sqkm	Hanoi	Vietnamese
	Philippines	99,384,500	300,000	331/sqkm	Manila	Filipino, English
	Indonesia	248,818,000	1,860,360	134/sqkm	Jakarta	Indonesian
3. Upper-Middle income	Thailand	68,251,000	513,120	133/sqkm	Bangkok	Thai
	Malaysia	29,948,000	330,290	91/sqkm	Kuala Lumpur	Malay
4. High income	Brunei Darussalam	406,200	5,769	70.4/sqkm	Bandar Seri Begawan	Malay

	Singapore	5,399,000	715	7,551/sqkm	Singapur	Malay, Chinese, Mandarin, English, Tamil
TOTAL		625,096,000	4,435,617			

Source: data.worldbank.org; www.asean.org.

In terms of Current GDP, the ASEAN as a collective produced a total Current GDP of US\$2,398,550 million in 2013. On the top rank is Indonesia with a total GDP of US\$862.568 million, while Lao PDR has a Current GDP of a little more than US\$10 billion. The ranking changes based on GDP per capita, where Singapore becomes number one with US\$65,063 GDP per capita, and Brunei Darussalam as a close second with US\$53,017. (Please refer to Table 2).

Table 2. GDP, HDI and Poverty Data, ASEAN

Country	GDP, current prices, US\$ million, 2013 (www.asean.org)	GDP per capita, PPP, 2013, US\$	Rank in per capita income	HDI, 2013 (UN)	HDI Rank (UN, rank out of 187 countries)	Proportion of population below the national poverty line (percent)	Absolute number of population below the national poverty line
Myanmar	56,408.0	1,834.7	10	0.722	89	25.6 (2010)	15,628,893
Lao PDR	10,002.0	3,127.2	9	0.569	139	26.0 (2010)	1,727,440
Cambodia	15,659.0	2,652.6	8	0.584	136	18.9 (2012)	2,827,931
Vietnam	171,219.3	4,026.1	7	0.638	121	17.2 (2012)	15,429,931
Philippines	269,024.6	4,545.9	6	0.660	117	25.2 (2012)	25,044,894
Indonesia	862,567.9	5,132.5	5	0.684	108	11.4 (2013)	28,365,252
Thailand	387,534.1	9,872.7	4	0.722	89	13.2 (2011)	9,009,132
Malaysia	312,071.6	17,540.5	3	0.773	62	1.7 (2012)	509,116
Brunei Darussalam	16,117.5	53,016.9	2	0.852	30	...	
Singapore	297,945.8	65,063.5	1	0.901	9	...	
	2,398,549.8					...	98,542,589

Source: data.worldbank.org; www.asean.org; www.un.org; www.adb.org.

Using the United Nations ranking of nations based on the Human Development Index (HDI), Singapore ranked the highest among the ASEAN members and ranked 9th among 187 UN-member countries worldwide. It is unfortunate that the HDI ranking of Lao PDR and Cambodia are very low. The other ASEAN countries have a relatively higher HDI, which in effect indicates the improving quality of life in these countries. The relatively low HDI scores are mirrored in the huge number of the population who continue to live below the poverty level of income in the individual ASEAN member countries. The total number of people who are classified as poor or with an income below the poverty level remains significant at more than 98 million individuals, which is equivalent to 15.76% of the total ASEAN population. It is noted that Singapore and Brunei Darussalam have highly developed economies with very high GDP per capita and no poor population. Malaysia's poor population is now reduced to a very small number of half a million persons. The seven ASEAN member countries have to do a great deal more to totally eradicate poverty in their respective communities. In terms of absolute number, Indonesia, Philippines have the biggest poverty problem, where 25-to 28 million individuals continue to suffer from poverty. The poverty situation in Myanmar and Vietnam also require immediate attention to bring better quality of life to more than 15 million individuals in each of these countries. Thailand is doing well in poverty reduction, but 9 million poor individuals remain a significant number.

The above brief background on the ASEAN economies brings us to the important role of fiscal policy and the role of government in each country, especially the less developed ones, to make growth and development inclusive, and bring forth relatively much improved quality of life anywhere in the ASEAN.

ASEAN Members' Fiscal Performance

Taxation in ASEAN

Based on available data, the tax revenue to GDP ratio of six ASEAN economies ranged from 11.6% to 16.5%. Tax revenues refer to cash receipts from taxes, social contributions, and other revenues such as fines, fees, rent, income from property or sales. The variation is significant but not too wide, particularly if comparison is extended to other countries. For instance in 2012, the tax revenue to GDP ratio of EU-member countries averaged 34.6%, and ranged from as 19.6% (Mexico, the lowest ratio) to 48% (Denmark, the highest ratio). The countries of Denmark, Belgium, France, Austria, Finland, Italy, Norway and Sweden have very high tax revenue to GDP ratios within the 42.2% to 48% range (Revenue Statistics tax to GDP ratio changes in 2011, www.oecd.org). Historical data shows that the tax-revenue-to-GDP ratios are higher in advanced economies than in emerging and developing countries. A one percentage downturn in the tax revenue-to-GDP can already be considered substantial. (Kun Li and Lopez-Murphy 2010, p.7-8)

A country's tax to GDP ratio (or tax ratio) from year to year may be compared. When tax collection is compared to the value of goods and services produced in a year in an economy, the results gives us an idea of how much the economy is fueled by taxation. While comparison of data is attempted here, it is noted that the comparison is limited by the unique circumstances and situations prevailing in each of the ASEAN member country. The best way to look at the ratios is to examine their behavior within a single country.

Thailand has consistently had the highest tax-to-GDP ratio among the ASEAN from 2005 to 2012. A rising ratio can signify rising economic activity, as in the case of Cambodia Lao PDR, Malaysia, and Singapore. The ratios for the Philippines rose in 2006, declined thereafter, and recovered in 2012 but only slightly. Thailand's ratio peaked in 2005 and in 2011, changing by about 1 to 2 percentage points each year. Where tax revenues grow at a rate slower than the growth rate of GDP, the tax-to-GDP ratios drops. The government must find explanation for the decline (or increase), which could include a drop in tax compliance, lowering of tax rates, and shrinking of the tax base.

Table 4. National Tax Revenue to GDP Ratio, ASEAN

	2005	2006	2007	2008	2009	2010	2011	2012	2013*
Myanmar	0	0	0	0					6.1
Laos PDR	0	10.5	11.6	12.1	12.8	12.9	13.7	14.8	15.3
Cambodia	7.9	8.2	9.7	10.6	9.6	10.0	10.2	11.6	12.4
Vietnam									18.9
Philippines	12.4	13.7	13.5	13.6	12.2	12.1	12.4	12.9	13.3
Indonesia	12.5	12.3	12.4	13.0	11.4				11.8
Thailand	17.2	16.7	16.1	16.4	15.2	16.0	17.6	16.5	16.2
Malaysia	14.8	14.5	14.3	14.7	14.9	13.7	15.3	16.1	15.8
Brunei Darussalam									
Singapore	11.6	11.9	12.9	13.9	13.1	13.0	13.4	14.0	...
ASEAN, average**	12.73	12.54	12.93	13.47	12.74	12.95	13.77	14.3	13.7

Source of Basic Data: www.nationsonline.org; *=from www.adb.org. **=includes only those with available data.

There is a 3-to-5% decline in the personal income tax rate in 5 ASEAN member countries during the period 2005 to 2014. As of 2014, Vietnam and Thailand have the highest income tax rate among the group at the most recent rate of 35%, while Brunei Darussalam has consistently adopted a no-personal-income-tax policy. The lowering of Indonesia's personal income tax partly explains the deceleration in the tax revenue to GDP ratio, while the rise in the ratio in 2013 may be partly explained by the rise in social security tax. Indonesian President Joko Widodo, who took office last October 20, 2014, has announced plans to improve tax administration and raise revenue collections. On the expenditure side, President Widodo plans to reduce fuel subsidies. Please refer to table 5.

In the case of the corporate tax, there is similarly a lowering of the rate in 7 ASEAN members, such that by 2014, the rate has been lowered to 17% in Singapore and to 20% in Cambodia and Thailand. Among the group, Philippines has the highest corporate tax at 30%.

Except for Myanmar whose sales tax is the highest at 30%, the sales tax in 8 ASEAN members is set from 6% to 12%. Malaysia's sales tax dropped from 10% to 6%, while the Philippines' rate rose from 10% to 12%.

Table 5. Tax Rates in the ASEAN Member Countries

		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Myanmar	Personal Income Tax								20	20	20
	Corporate Tax										...
	Sales Tax										30
	Social Security Tax										...
Lao PDR	Personal Income Tax					25	25	28	28	24	24
	Corporate Tax						35	35	28	24	24
	Sales Tax										10
	Social Security Tax										...
Cambodia	Personal Income Tax					20	20	20	20	20	20
	Corporate Tax						20	20	20	20	20
	Sales Tax										10
	Social Security Tax										...
Viet Nam	Personal Income Tax	40	40	40	40	35	35	35	35	35	35
	Corporate Tax	28	28	28	28	25	25	25	25	25	22
	Sales Tax	10	10	10	10	10	10	10	10	10	10
	Social Security Tax*	23	23	20	20	20	22	22	24	24	26
Philippines	Personal Income Tax	32	32	32	32	32	32	32	32	32	32
	Corporate Tax	32	35	35	35	30	30	30	30	30	30
	Sales Tax	10	10	12	12	12	12	12	12	12	12
	Social Security Tax*	10.78	10.78	10.78	10.78	10.78	10.78	10.78	10.78	10.78	10.78*
Indonesia	Personal Income Tax	35	35	35	35	35	30	30	30	30	30
	Corporate Tax	30	30	30	30	28	25	25	25	25	25
	Sales Tax	10	10	10	10	10	10	10	10	10	10
	Social Security Tax*			10.74	10.74	10.74	10.74	10.74	10.74	13.74	13.74
Thailand	Personal Income Tax	37	37	37	37	37	37	37	37	35	35
	Corporate Tax	30	30	30	30	30	30	30	23	20	20
	Sales Tax		7	7	7	7	7	7	7	7	7
	Social Security Tax*		10	10	10	10	10	10	8	8	10
Malaysia	Personal Income Tax	28	28	28	28	27	26	26	26	26	26
	Corporate Tax	28	28	27	26	25	25	25	25	25	25
	Sales Tax		10	10	10	10	10	6	6	6	6
	Social Security Tax*							24.5	24.5	24.5	25.29*
Brunei Darussalam	Personal Income Tax	0	0	0	0	0	0	0	0	0	0
	Corporate Tax										...
	Sales Tax										...
	Social Security Tax										
Singapore	Personal Income Tax	21	20	20	20	20	20	20	20	20	20
	Corporate Tax	20	20	20	18	18	17	17	17	17	17
	Sales Tax		5	5	7	7	7	7	7	7	7
	Social Security Tax*	33	33	34.5	34.5	34.5	35	36	36	36	36*

Source: www.nationsonline.org. *Social Security Tax: C= Company share; E=employee share. (...) means no data. Sharing of the Social Security Tax: Indonesia: C = 11.74%; E 2.0%; Malaysia: C = 13.78%; E = 11.51%; Philippines: C = 7.39; E =3.39; Singapore: C = 16%; E =20%; Vietnam: C =18%; E = 8%.

Unlike the 3 previous taxes, the social security tax rate increased over the years, for instance from 10.74% to 13.74% in Indonesia; from 24.5% to 25.29% in Malaysia, from 35% to 36% in Singapore, and from 24% to 26% in Vietnam. Singapore imposes the highest social security tax among the ASEAN members. Based on available data, companies or employers shoulder 85.4% of the social security tax in Indonesia. In Malaysia, the sharing a little more equitable: employers also shoulder 54.5% of the tax, and the rest is borne by employees. Thailand's social security tax was raised to 10% in 2014. In Vietnam, the Social Security Tax (18% on companies and 8% on employees) is increasingly becoming an important revenue source for the government to help pay for social welfare, health care and similar employee benefits.

Overall, Brunei has the most liberal tax regime in the ASEAN. It does not impose taxes on personal income, sales, payroll, export, capital gains and manufacturing. It offers low tariffs, and allows investors to

enjoy exemption from corporate tax possibly up to 20 years. It also offers exemption from import duties on raw materials, machinery, equipment, component parts, accessories, building structures, and adjustment of capital allowance and losses. (http://www.bedb.com.bn/why_ecooverview.html, July 30, 2014).

Expenditure Performance of ASEAN Countries

Government spending can be grouped into two: final consumption, and gross capital formation. Together, they make up a significant portion of the GDP. Government final consumption expenditure consists of spending on goods and services to meet individual and collective needs of the community. Gross capital formation spending refers to the acquisition of goods and services that will bring about future benefits, and includes infrastructure investment, research, acquisition of fixed assets and intermediate goods for future production. Government spending is financed from tax and non-tax sources and from borrowing. In the absence of or given the lackluster investment performance of the private sector, the government has to pump prime the economy through capital spending and investment in infrastructure and employment-generating activities, and create an environment conducive to private sector investment. Precaution is again noted in making the comparison of performance in expenditure and other criteria of the ASEAN members.

In terms of the expenditure-to-GDP ratio (or expenditure ratio), the ASEAN member economies have shown vibrancy in spending from 2005 to 2012 (data.worldbank.org). The expenditure ratios of 4 countries (Cambodia, Laos PDR, Malaysia and Thailand) have been on the rise from 2005 to 2012, and relatively high in the case of Malaysia and Thailand. The Philippines has the lowest expenditure ratio among the ASEAN members.

The 2013 data from the Asian Development Bank show a different level of expenditure ratio data for the ASEAN. From the table below, Brunei Darussalam actually has a relatively very high expenditure ratio. Laos PDR and Myanmar have also made significant amount of spending in relation to their respective GDP.

Table 6. Government Expenditures for Operating Activities as a Percentage of GDP

	2005	2006	2007	2008	2009	2010	2011	2012	2013*
Myanmar									29.2
Lao PDR		10.0	10.2	10.8	11.5	11.0	11.3	12.0	29.9
Cambodia	7.6	8.6	8.2	8.6	11.0	10.6	11.1	11.7	19.9
Vietnam									26.0
Philippines	17.2	16.8	16.6	16.4	17.8	16.9	15.8	16.4	16.3
Indonesia	16.5	17.8	17.2	18.4	15.7				18.0
Thailand	16.4	16.1	17.6	18.2	19.7	18.6	20.8	21.0	20.1
Malaysia	17.7	17.7	18.1	19.6	21.7	18.8	20.3	21.6	25.6
Brunei Darussalam									31.3
Singapore	12.6	13.1	12.2	14.6	14.4	12.6	13.0	12.7	14.4 (2012)

Source of data: data.worldbank.org. *Data are taken from www.adb.org. The 2013 figures represent Total Government Expenditures ratio to GDP.

Expenditures on Education and Health

Data on the share of education expenditure to total government expenditures are limited. But based on available data (data.worldbank.org), majority of the ASEAN member-countries appropriate significant portions of their budgets for education. Number one in government education expenditure as a share of the total budget is Thailand, which allocated up to 31.5% in 2012. Singapore, Malaysia, Vietnam and Indonesia similarly spent from 18.15 to 21% of their respective government budgets on education. On the other hand, government health expenditures are significantly less than the spending on education in all the ASEAN countries. Thailand, Singapore and Vietnam's government expenditure on health as a percentage of total government budget amounts to only one half of their respective spending on education in 2012. It is interesting to note that the governments of ASEAN member countries devote huge amount of government resources on health services. In Brunei Darussalam, for example, government spending on health comprised up to 91.8% of total health expenditure in 2012. Thailand comes second as the government shoulders around 76.4% of total health expenditure. Public education expenditure is defined by World Bank to mean government spending(current and capital) on educational institutions, both public and private, including spending on education administration and subsidies for private entities such as students, households, and other private entities.

Public health expenditures consists of government's (central and local) recurrent and capital spending on health coming from the central and local governments, including those spending whose funds are generated from external borrowings and grants, and pending for social health insurance. Total health expenditure is the sum of public and private health expenditures such as expenses on preventive and curative health care, family planning, nutrition services, emergency aid (data.worldbank.org).

Table 7. Public Expenditure on Education and Health

Countries	PUBLIC EDUCATION EXPENDITURE as a % of total public expenditure (data.worldbank.org)	PUBLIC HEALTH EXPENDITURE as a % of total public expenditure (data.worldbank.org)	PUBLIC HEALTH EXPENDITURE as a % of total expenditure (data.worldbank.org) 2012
Myanmar	4.4 (2011)	1.5	23.9
Lao PDR	13.2 (2010)	6.1	51.2
Cambodia	13.1 (2010)	6.7	24.7
Viet Nam	20.9 (2010)	9.5	42.6
Philippines	13.2 (2009)	10.3	37.7
Indonesia	18.1 (2012)	6.9	39.6
Thailand	31.5 (2012)	14.2	76.4
Malaysia	20.9 (2011)	6.2	55.0
Brunei Darussalam	9.7 (2012)	6.0	91.8
Singapore	21.0 (2012)	11.4	37.6

Source of data: www.adb.org.

Budget Surplus (or Deficit) to GDP Ratio

The two high income countries, Brunei Darussalam and Singapore, actually have surpluses in their budgets which accounts for 2.36% and 1.3% of their respective GDPs. In the case of Brunei Darussalam, the government is actually subsidizing basic goods and services such as food (rice, sugar and milk), medical services, basic-to-tertiary education, housing, and utilities (electricity, water, oil). The price of electricity in Brunei D. is said to be highly competitive and among the lowest in the region. (http://www.bedb.com.bn/why_economy.html, July 30, 2014).

The highest debt ratios are incurred by Lao PDR, Vietnam and Cambodia. One reason for Lao DPR's budget deficit is the huge rise in salary bills budget deficits, bringing the ratio of the deficit to GDP in 2013 to 12.4% from its 7.9% level in 2012.

Table 8. Government Budget Surplus (or Deficit)-to-GDP Ratio

Countries	2005	2006	2007	2008	2009	2010	2011	2012	2013
Myanmar	-3.9	-2.79	-3.61	-3.25	-2.44	-4.93	-5.45	-4.63	-3.85
Lao PDR	-6.2	-6.63	-6.99	-5.96	-6.1	-5.87	-8.9	-7.9	-7.9
Cambodia	-1.62	-0.7	-0.16	-0.5	-0.07	-8.6	-8.1	-7.5	-6.5
Vietnam	0.2	-1.1	1.3	-4.6	-3.1	-9.3	-7.3	-5.0	-6.9
Philippines	-3.8	-2.7	-2.2	-0.2	-0.9	-3.7	-3.5	-2.0	-2.3
Indonesia	-1.04	-0.52	-0.87	-1.26	-0.08	-1.6	-0.7	-1.1	-1.9
Thailand	1.13	2.5	1.91	-0.9	-1.3	-4.8	-2.7	-1.3	-4.1
Malaysia	-4.1	-3.6	-3.3	-3.2	-4.6	-6.7	-5.4	-4.8	-4.5
Brunei Darussalam			0.66	0.76	1.04	1.23	1.23	2.36	2.36
Singapore	4.05	6.73	6.56	12.05	8.12	-0.5	0.3	2.0	1.3

Source: www.nationsonline.org.

The ASEAN countries can be said to be generally vigilant in managing public debt In terms of debt to GDP ratio. Except for Malaysia, Vietnam and Singapore (whose debt-to-GDP ratio has been increasing and reached 105.5% in 2013), the debt-to-GDP ratio of the rest of the ASEAN countries are on the decline from 2005 to 2013. Brunei Darussalam's debt ratio is very low at 2.46% in 2013.

Table 9. Government Debt to GDP ratio, in percent, ASEAN

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Myanmar	85.5	82.49	72.06	62.32	52.95	54.96	49.52	49.16	42.66
Lao PDR	81.7	78.21	71.2	57.7	48.73	48.24	41.04	36.52	62.03
Cambodia	41.67	36.04	32.67	30.63	27.46	28.92	29.06	28.53	28.12
Vietnam	38.3	34.3	34.8	36.0	31.9	38.4	38.3	37.9	54.98
Philippines	69.7	62.8	55.4	51.4	54.7	54.8	52.4	51.0	49.20
Indonesia	55.83	46.35	38.99	35.05	33.24	28.64	26.09	24.38	26.11
Thailand	49.5	47.3	41.3	38.7	38.1	45.8	43.8	40.8	45.7
Malaysia	45.7	42.71	41.54	41.22	41.24	52.81	53.51	54.26	54.80
Brunei Darrusalam			0.66	0.76	1.04	1.23	1.23	2.36	2.46
Singapore	98.0	95.8	89.0	87.1	94.9	105.4	101.0	103.4	105.50

Source of data: www.nationsonline.org.

Table 10. Government Debt to GDP ratio, Total External Debt Stock, and Public External Debt Stock

Countries	Public & Publicly Guaranteed External Debt Stock, **, Current US\$, million	Per capita public external debt	Total External Debt Stock, Current, US\$, 2012, million**	Per capita external debt	Proportion of Total Public External Debt to Total External Debt, in %
Myanmar	1,858.349	30	2,562.717	42	72.5
Lao PDR	2,745.355	413	6,371.635	959	43.1
Cambodia	4,548.971	304	5,716.228	382	79.6
Viet Nam	39,954.276	445	59,133.086	659	67.6
Philippines	43,036.861	433	61,389.687	618	70.1
Indonesia	120,689.994	485	254,898.523	1,024	47.3
Thailand	34,730.594	509	134,222.960	1,966	25.9
Malaysia	27,118.724	905	103,949.591	3,541	26.1
Brunei Darrusalam	...		...		
Singapore	...		...		
ASEAN, average		440		1,149	

Source of data: *Taken from: www.tradingeconomics.com; **Taken from: data.worldbank.org.

In terms of total government external debt stock (consisting of the public and publicly guaranteed foreign debt), Indonesia has incurred the biggest amount at more than US\$120.69 billion as of 2013. On a per capita basis, public external debt averaged US\$440. Malaysia's public external debt per capita is highest at US\$905, while Myanmar's US\$30 is the lowest. The government sector borrows more heavily from abroad compared to the private sector in 4 countries (Cambodia, Myanmar, Philippines and Vietnam). Public external debt in these countries comprises from 1/3 to 3/4 of total external debt. The total external debt stock is defined by the World Bank as "the sum of public, publicly guaranteed, and private nonguaranteed long-term debt, use of IMF credit, and short-term debt". Likewise, public and publicly guaranteed debt refers to long-term external obligations of public debtors, including the national government, political subdivisions (or an agency of either), and autonomous public bodies, and external obligations of private debtors that are guaranteed for repayment by a public entity (data.worldbank.org).

Economic Impact of Public Finance

Taxation, expenditures and operation of state-owned enterprises are tools of the government to achieve economic growth, improve people's lives, eradicate poverty, and achieve a desirable state of development. The budgets of the ASEAN members countries have definitely increased over the years, and government's considerable presence in, if not control of, big industries and sectors all denote the government's very active role in crafting the economy's growth and development path. This part of the paper examines some indicators of overall social and economic progress and development in the ASEAN countries. It asserts that the government budget should bring about national development and engender desired improvement of the socio-economic situation, especially of the vulnerable members of society. The government's fiscal tools of

taxation, budgets and state-owned enterprises must be able to significantly reduce poverty, income distribution and unemployment in the country. For this analysis, focus is on the low- and middle income ASEAN member countries.

GDP Per Capita

GDP per capita is a measure of the economic prosperity of a country. It takes the gross domestic product and divides it by the total number of population in a country in a year. It is an average figure, and does not reflect the true income and wealth distribution in a country. But it is generally used to measure a country's economic performance. A high GDP per capita is usually interpreted to mean a high standard of living. Based on the GDP per capita of ASEAN members, data clearly shows that high standard of living is enjoyed by people in Brunei Darussalam and Singapore. The GDP per capita of these two countries are way above that of their colleagues in the ASEAN. Coming in third is Malaysia with a GDP per capita of more than US\$21,897, which is about only one-third of that of Brunei Darussalam.

Tax, expenditure and budget and debt policies of government are assigned the functions of allocation of goods and service to meet the needs of the population, redistribution of income to arrive at a more equitable or desirable distribution and reduce the income gap between the rich and the poor, stabilize the economy in terms of prices and employment, and achieve overall improvement in the quality of life and a much improved state of development for the whole country.

Fiscal policies have direct and indirect impact on the social and economic conditions of a country since the government is expected to provide the overall economic and development vision, encourage private and foreign sector investment, in itself engage in pump priming activities to directly influence growth and development, engage in the much needed productive investment, put up the infrastructure facilities, and invest in human resources and in its people, which altogether should redound to the population's social welfare and economic wealth.

Table 11. GDP per capita, (PPP), US\$, ASEAN

GDP per capita, PPP, US\$	2005	2006	2007	2008	2009	2010	2011	2012	2013	Annual Growth Rate
Myanmar	740	859	983	1,111	1,153	1,199	1,254	1,325	...	11.29
Laos PDR	2,780	2,930	2,126	3,298	3,483	3,667	3,901	4,133	4,388	7.23
Cambodia	1,755	1,957	2,136	2,321	2,442	2,409	2,513	2,646	2,790	7.37
Vietnam	3,278	3,485	3,687	3,907	4,085	4,260	4,486	4,717	4,912	6.23
Philippines	4,672	4,804	4,967	5,205	5,332	5,304	5,614	5,719	6,005	3.57
Indonesia	6,248	6,510	6,771	7,099	7,420	7,658	8,027	8,438	8,855	5.22
Thailand	10,497	10,901	11,400	11,940	12,216	11,915	11,822	12,798	13,736	3.86
Malaysia	17,335	17,921	18,574	19,386	19,959	19,312	20,390	21,075	21,897	3.29
Brunei Darussalam	75,596	74,441	76,287	75,054	72,351	69,924	70,636	71,991	71,664	(0.65)
Singapore	58,781	61,715	65,114	68,148	65,771	63,432	71,816	74,594	74,609	3.36

Source of Basic Data: www.nationsonline.org.

Income Distribution

The percentage share of income or consumption is the share that accrues to subgroups of population indicated by decile or quintile. Percentage shares by quintile may not sum to 100 because of rounding. Based on available data, income distribution in six ASEAN countries have minimally changed or even declined from 2005 to 2012 and can be said to be considerably unequally distributed. For instance, the income share held by the lowest 20% of the population in Laos, Vietnam, Philippines and Malaysia dropped by 0.2 to 0.7 percentage points. Only Cambodia and Thailand managed to raise the share of the pie of the lowest 20% of the population by 0.7 percentage points. Overall, the poorest one-fifth of the population receives not more than 7.6% of the total income pie in the countries where data is available.

Table 12. Income share held by Lowest 20% of the earning population.

	2005	2006	2007	2008	2009	2010	2011	2012
Cambodia			7.0	7.9	8.0	8.5	9.0	
Laos PDR			8.0					7.6
Myanmar								
Vietnam		7.2		7.4		6.5		7.0
Philippines		5.6			6.0			5.9
Indonesia	8.3			8.1		7.6		
Malaysia			4.7		4.5			
Thailand		6.1		6.6		6.8		
Brunei Darussalam								
Singapore								

Source of data: data.worldbank.org.

With respect to the income share of the top 20% of the population, data shows that this sub-group holds from more than 2/5 to 3/5 of the total income pie. As of 2012, the highest income earners (top 20%) in the Philippines receive almost 50% of the total income. Bases on the 2009 data, Malaysia's richest population had a biggest share of 51.5% of the total income pie. The income share of the top income earners in Cambodia is relatively high at 41.2% in 2011, although this share has been declining since 2007.

Table 13. Income share held by Highest 20% of the earning population.

	2005	2006	2007	2008	2009	2010	2011	2012
Cambodia			48.9	43.5	43.2	42.5	41.2	
Laos PDR			43.9					44.3
Myanmar								
Vietnam		43.3		43.4		46.2		43.0
Philippines		50.4			49.7			49.7
Indonesia	42.8			42.6		43.7		
Malaysia			51.4		51.5			
Thailand		49.2		47.7		46.7		
Brunei Darussalam								
Singapore								

Source of data: data.worldbank.org.

In general, there is a minimal improvement in income distribution within each ASEAN member country. That means, the poverty of the poor was not truly alleviated, while the prosperity of the rich is generally sustained.

Table 14. Income Distribution, various years

	Year	Income share of lowest 10%	Income share of lowest 20%	Income share of top 20%	Income share of top 10%
Cambodia	2011	4.0	9.0	41.2	26.9
Laos PDR	2012	3.3	7.6	44.3	29.7
Myanmar					
Vietnam	2012	2.9	7.0	43.0	27.8
Philippines	2012	2.5	5.9	49.7	33.5
Indonesia	2010	3.4	7.6	43.7	28.2
Malaysia					
Thailand	2010	2.8	6.8	46.7	31.0
Brunei Darussalam					
Singapore					

Source of data: data.worldbank.org.

State of Poverty

The trend in income distribution somehow mirrors the trend in poverty in the ASEAN member countries. The national poverty rate is the percentage of the population living below the national poverty line. World Bank estimates are based on population-weighted subgroup estimates from household surveys. Based on World Bank data, poverty rate is still significantly high in six ASEAN countries. Be that as it may, two countries (Cambodia and Thailand) have achieved very significant reduction in the poverty rate from 2007 to 2011. Cambodia in particular was able to cut into half its poverty rate from 45.5% in 2007 to 20.5% in 2011, although the 20.5% rate remains substantial. During the same period, Thailand was able to lower its poverty rate to 13.2% in 2011 or by more than seven percentage points. Vietnam's poverty rate is also reduced to 17.2% in 2011. Unfortunately, the Philippines' poverty rate barely dropped since 2006, and remains very high at 25.2% in 2012. By all indications, the Philippines cannot achieve its Millennium Development Goals commitment to reduce poverty to 15% by 2015.

Table 15. Poverty headcount ratio (in %) at national poverty line as a percentage of the population

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Cambodia			45.5	34.0	23.9	22.1	20.5		
Laos PDR				27.6					
Myanmar									
Vietnam						20.7	17.2		
Philippines		26.6			26.3			25.2	
Indonesia	16.0	17.8	16.6	15.4	14.2	13.3	12.5	12.0	11.4
Malaysia			3.6		3.8			1.7	
Thailand			20.9	20.5	19.1	16.9	13.2		
Brunei Darussalam									
Singapore									

Source of data: data.worldbank.org.

State of URBAN-ESS or RURAL-NESS and Poverty

Progress and development is similarly reflected in the percentage of the rural population to the total population in a country. The rural population is defined by the national statistics office of the respective countries in ASEAN. The rural population in four countries (Cambodia, Myanmar, Vietnam and Lao PDR) comprise around $\frac{3}{4}$ of their respective total population. Compared to poverty, it can be said that poverty is rural phenomenon in the low income countries of ASEAN. In this connection, the agriculture sector in the low- to middle-income countries of ASEAN is a major source of employment, e.g., Cambodia's agriculture sector employs up to 51% of total employment; Vietnam, 47%; and Thailand, 40%. The agriculture sectors of Indonesia and Philippines also provide a significant proportion of work to the labor force. In addition, Cambodia's agriculture sector contribution to GDP is substantial at 36%. The agriculture sector of Lao PDR is similarly a major contributor to the country's GDP. However, if the indicators are put together (GDP per capita, poverty rate, employment, and agriculture value added), a clear implication is that majority or the population of the low-to-middle income countries of the ASEAN appear to live in the rural areas, employed in agriculture, receive, low wages, and have low savings rate.

Table 16. Poverty, Employment in Agriculture, Agriculture Value Added, and Savings Rate

	% of Rural Population, 2012	Poverty headcount ratio, in %	Employment in Agriculture, 2012, %	Unemployment rate (% of total labor force), 2012	Agriculture, Value Added, 2012, %	Gross Savings, as % of GDP, 2012
Myanmar	68		...	4.1	--	...
Lao PDR	65	27.6 (2008)	--	1.3	28	16
Cambodia	80	20.5 (2011)	51	1.5	36	12
Vietnam	68	17.2 (2011)	47	2.0	20	32
Philippines	55	25.2 (2012)	32	7.0	12	42
Indonesia	49	11.4 (2013)	35	6.6	15	31
Thailand	53	13.2 (2011)	40	0.7	12	30
Malaysia	27	1.7 (2012)	13	3.1	10	32
Brunei Darussalam	24		0	3.8	1	...
Singapore	0		0	2.8	0	48

Source: data.worldbank.org.

Performance Based on other related Socio-Economic Indicators

Table 17. Performance Based on other related Socio-Economic Indicators

	Life expectancy at birth, total (years), 2012	Mortality rate, under-5 (per 1,000 live births), 2012	% of population with access to improved sanitation facilities, 2012	Incidence of tuberculosis (per 100,000 people), 2012
Myanmar	65	52	77	377
Lao PDR	68	74	65	204
Cambodia	71	38	37	411
Vietnam	76	25	75	147
Philippines	69	31	74	265
Indonesia	71	31	59	185
Thailand	74	14	93	119
Malaysia	75	9	96	80
Brunei Darussalam	78	10		68
Singapore	82	3	100	50

Source of data: data.worldbank.org.

Based on related socio-economic indicators (see Table 17), the performance of the high-income countries is better than the low-to-middle income countries of ASEAN. Life expectancy is highest in Singapore at 82 years and the whole population of Singapore has access to sanitation. Mortality rate and the incidence of tuberculosis are lowest in Singapore at 3 per 1,000 live births. On the other hand, mortality rate is still very high at 74 per 1,000 live births in Lao PDR. Access to improved sanitation facilities has much room for improvement in Cambodia and Indonesia, where only a little more than 1/3 and 3/5 of the population respectively, are served. Looking at the head count, the situation is worse because it means that about 102 million of Indonesians and 9.6 million of Cambodians do not have access to improved sanitation facilities. The World Bank definition of improved sanitation facilities includes flush/pour flush (to piped sewer system, septic tank, pit latrine), ventilated improved pit (VIP) latrine, pit latrine with slab, and composting toilet. The incidence of tuberculosis is the estimated number of new pulmonary, smear positive, and extra-pulmonary tuberculosis cases. Incidence includes patients with HIV. (data.worldbank.org)

Summary of Findings and Conclusions

This is a rough and descriptive assessment of the fiscal performance of ASEAN member countries in relation to the socio-economic state of their respective economies. It is recognized that the analysis is limited by the fact that data is secondary and is limited by what is available in selected websites in the internet. Suffice it to say that given the limited data, some important trends have been generated that are informative of the general performance of the ASEAN countries.

Overall, this paper observes that:

- a. The ASEAN organization is comprised of a highly varied set of countries, which are in various stages of development. Two of the countries (Singapore and Brunei Darussalam) have definitely made it to the category of highly developed countries and have achieved a very high level of economic development as indicated by the GDP per capita and similar indicators.
- b. The rest of the ASEAN countries trail far behind in terms of GDP per capita. It appears that only Malaysia and Thailand have been able to proceed to a higher stage of development, but have to do a lot more to catch up with the top two countries. The low- and middle-income countries of ASEAN have to do much more to cope with global development challenges, yet are still basically trapped in the domestic issue of poverty and income inequality while colleagues and other countries outside ASEAN are able to focus on the more fundamental requisites of development such as the expansion of the manufacturing sector, and developing their own niche in the international market of goods and services.
- c. Tax policies in the ASEAN are also relatively varied. Brunei Darussalam has the most liberal tax policy regime. Singapore's tax policy on (personal income, corporate income, and sales taxes) are highly competitive, being relatively lower than the tax rates in its ASEAN neighbors.
- d. Government presence and influence in the economy in terms of government expenditures on social services (education, health) varies by country. ASEAN Government's contribution to the GDP through its spending on operating activities is quite significant at the range of 25%-to-31% in 2013. Brunei Darussalam's government, for instance contributes to the country's GDP by as much as 31% through government spending on operations. The governments of Lao PDR and Cambodia can also be considered highly active in propelling their own economy's growth.
- e. Comparing the tax revenue ratio and the expenditure ratio of each country shows that in all countries (except Singapore and Brunei Darussalam), the expenditure ratio is higher than the tax revenue ratio. By all indication, the ASEAN countries have spent more than they earned from taxation. As shown in table 18, 8 countries have engaged in deficit financing as evidenced in the deficit to GDP ratio (or debt ratio).

Table 18. Tax Revenue Ratio Compared to Expenditure Ratio, 2013

Countries	Tax Revenue Ratio	Expenditure Ratio
Brunei Darussalam	...	31.3
Cambodia	12.4	19.9
Indonesia	11.8	18.0
Laos PDR	15.3	29.9
Malaysia	15.8	25.6
Myanmar	6.1	29.2
Philippines	13.3	16.3
Singapore	...	14.4 (2012)
Thailand	16.2	20.1
Vietnam	18.9	26.0

Source of data. www.adb.org.

- f. Any government is expected to spend on the health and education and education of its people, especially when a significant portion of the population does not have the capacity to buy private social services. The government, therefore, should allocate the necessary funds for health and education as a form of investment in human capital and in an effort to raise the overall quality of life. Public expenditure on education in relation to total government expenditure is highly substantial in Thailand (31.5%).
- g. Government expenditure on health as a proportion of total government expenditure is smaller compared to government expenditure on education. However, it appears that the government spending

on health comprises the bulk of total societal health spending. This particularly applies to Brunei Darussalam, where government spending on health represents almost all of the country's total spending on health. Thailand's government is similarly shouldering up to 75% of total society's spending on health.

- h. Given the above fiscal performance, the role of government is vital and significant in terms of achieving the goals and objectives it set to accomplish for itself (the government) and the whole country. The government's fiscal policies have led 8 of the ASEAN countries to incur budget deficits from 2005 to 2013. Amidst various challenges, the ASEAN 8 have managed to prevent the deficit-to-GDP ratio and the debt-to GDP ratio from huge jumps and unmanageable deterioration.
- i. In terms of the borrowing behavior of the government relative to the private sector, the governments of Malaysia and Thailand are borrowing less than their respective private sectors. Government external debt only accounts for a little more than ¼ of total external debt; the rest are debts of the private sector.
- j. The impact of fiscal policy on income distribution is significant in Cambodia, with the share of the lowest 20% of income earners rising by two percentage points from 2007 to 2011. However, the GDP per capita of Cambodia is still very low at US\$2,790 in 2013. In Thailand, the income share of the lowest 20% of income earners also rose, but by less than one percentage point from 2006 to 2010. The high income earners in all countries where data is available continue to get the biggest slice of the income pie.
- k. While government continues to tax, borrow and spend, these must be connected to poverty reduction. Cambodia achieved a significant reduction in the number of its poor population. So do Vietnam, Indonesia and Thailand. Unfortunately for the Philippines, the number of people living below the poverty level of income is almost unchanged over the period 2006 to 2012. The Philippine Government should be able to effectively reduce poverty in the country since it makes use of the high level of poverty to justify more taxes and more borrowing.

In conclusion, there are definitely other indicators that showed how the government has translated its vision of development into concrete policies, programs and projects. Many factors have facilitated if not hindered the government from accomplishing its fiscal tasks. The ASEAN is looking forward to greater integration (beyond cultural and social, and more of economic integration). Based on the above limited information on the fiscal performance of the ASEAN countries, their socio-economic characteristics are highly varied. Each of the countries, especially the low- and middle income, have to do a lot more striving to bring their respective economies at par with their neighbors. Integration can surely be slowed down by the wide variances in the quality of life of people from one place to the other. We expect our respective governments to engage more in honest, transparent, dedicated, well-directed and informed fiscal policy formulation and implementation to strengthen oneself as a country and in order to maximize the benefits of ASEAN integration. In terms of research, much more in-depth analysis is necessary to determine areas of cooperation and find ways of cooperation that will better help the less strong without prejudice to the benefits that the stronger economy may get from the cooperation and integration.

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Financing Universal Healthcare and the ASEAN: Focus on the Philippine Sin Tax Law

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Abstract

This paper looks at the possible impact of the ASEAN integration in the region as well as the challenges it brings especially on the goal of financing health care.

This study analyzes how a reform measure, the sin tax law, imposing tax on cigarettes and alcohol, was passed into law considering its conflicting role of being a revenue measure but at the same time a regulatory and health measure. The new law which supports the goal of achieving universal health care coverage is actually a revenue raising measure considering its nature as a tax law. However, under the present administration's drive to institute reforms in governance, this policy reform deviates from this nature and seeks to fulfill a social goal of improving not only universal health coverage but also lower tobacco and liquor related health problems among the youth.

Data from other countries was also used in the analysis to see how the present law compares with current and past prices of alcohol, liquor and cigarettes and how international organizations affected the passage of the measure.

Keywords: Universal Healthcare/ Sin Tax/ Philippines

Introduction

The ASEAN comprised of ten-member states with its combined GDP at almost US\$ 3T (www.asean.org) and tremendous economic potential will make the region a major economic group especially once the goals of ASEAN Economic Community are achieved. By 2015 the full impact of ASEAN integration will be felt in the region, the ASEAN's vision of a single market and production base with five core elements of free flow of goods, services, investment, capital and skilled labor necessitate necessary adjustments within each member nation and state. Greater connectivity and trading within the region is expected.

In the course of the attainment of these goals however lie the vital changes in the domestic policies and approaches of each member state. Concept of development and development policies will definitely be redefined and adjusted to allow for the envisioned objectives of an organization that lies outside the nation and state.

Among the identified sectors of the ASEAN economic blueprint is the health sector. Efforts of each member in the attainment of universal health care within its territorial jurisdiction will be placed in focus, as the economic integration conceived of does not only contemplate of economic success for the region but also health for a most precious resource – the people.

This paper looks at health being identified as a right under the Philippine constitution is endeavored to be attained with the passage of a universal health care law and a concomitant financing measure, the sin tax law.

In the course of the discussion of the passage of the sin tax law, its significance to health is related as well as the implications of ASEAN integration.

Health as a right

The objectives sought to be attained of creating an ASEAN economic community may at first glance be mistaken to mean purely an economic move but with health as one of the targeted priority sectors, the human capital approach is evident. By focusing on health as vital to accelerating economic growth in the region, health as paramount interest of member states is reinforced.

Standards have been developed and set for countries around the world to follow as in the case of the World Health Organization, and on the local and domestic scene by the governments. However, this cannot be attained by focusing on health policy and implementation alone. Accessibility is important. In the case of the Philippines, health is a right as stated in the Philippine Constitution with the mandate given to the state of protecting and promoting this right.

Accessibility to health services and facilities is always an issue especially in a country with a big population like the Philippines. To promote access, various policies have been passed and implemented through the years including providing financial support from the national government. Under the 2015 National budget, social services allocation rose from 841.8B to 967.9B with P37.2 for health insurance intended to cover 15.5 million beneficiaries.

As far back as the 1970s there was the Primary Health Care which provides for the delivery of eight essential elements of health care, including the prevention and control of prevalent health problems; the promotion of adequate food supply and proper nutrition; basic sanitation and adequate supply of water; maternal and child care; immunization; prevention and control of endemic diseases; appropriate treatment and control of common diseases; and provision of essential drugs.

Executive Order 851 in 1982 sought to integrate the preventive, curative and rehabilitative components of health care delivery in the country and reorganized the Ministry of Health for this purpose. It likewise mandates the regional health offices to be responsible for the field operations of the Ministry of Health in the region utilizing the Primary Health Care approach providing for health and medical services responsive to the prioritized needs of the community. In 1987, Executive Order 119 provided for the reorganization of the Ministry of Health and its attached agencies, with the former given the power to define the national health policy and formulate and implement a national health plan.

To help lower prices and promote drugs accessibility, RA 6675 The Generics Act of 1988 was passed. It mandates the use of generic terminology in the manufacture, importation and dispensing of drugs, and ensure adequate supply of drugs with generic names at the lowest possible cost. It also seeks to increase awareness among the public and health professionals on drugs with generic names as alternative with equal efficacy to the more expensive branded drugs. Department guidelines were also issued by the Department of Health in 2004 for the exclusive use of generic terminology in all prescriptions and orders in DOH hospitals.

A landmark law which was passed in 1991 -RA 7160 Local Government Code of 1991 provides for the devolution of health services to local government units. It specifically provides for the duties and functions of local health officers and created the local health board in every province, city or municipality which shall propose to the *sanggunian* concerned annual budgetary allocations for the operation and maintenance of health facilities and services within the local unit and serve as an advisory committee on health matters.

For better access to health services, RA 7875 or the National Health Insurance Act was passed in 1995 which seeks to provide all Filipinos with the mechanism to gain financial access to health services.. By creating the National Health Insurance Program, the government is supposed to provide health insurance coverage and ensure affordable and acceptable health care services for all Filipinos. The law likewise created the Philippine Health Insurance Corporation, a tax-exempt entity, which administers the NHIP.

Few years after this was the Health Sector Reform Agenda which was anchored on the five pillars of health financing, public health, local health system development, hospital development and regulations seeks to improve health care delivery, financing and regulation.

To promote access to vital drugs, RA 9502 or the Universally Accessible Cheaper and Quality Medicines Act was passed. It seeks to provide access to affordable and quality medicines and provides among others, power to the President to impose maximum retail prices over certain drugs.

In 2010, there was the Aquino Health Agenda (AHA) which streamlined and scaled up interventions introduced in the 1999 Health Sector Reform Agenda (HSRA) and provided for the objectives, thrusts and framework for implementing the Universal Health Care (UHC).

In 2013, the National Health Insurance Act was signed into law providing for a mandatory health insurance coverage for all even the indigent, sponsored and abandoned. The law makes the Program compulsory in all provinces, cities and municipalities despite existence of LGU-based health insurance programs.

ASEAN Integration

More than a decade after the initial efforts towards regional economic integration as embodied in the ASEAN Free Trade Area (AFTA), the creation of an ASEAN Economic Community (AEC) was recommended by heads of state in the region (CPBRD 2013, Haw 2003). AFTA promotes free trade within a 15-year period through the elimination of tariff and non-tariff barriers. The AEC envisions freer flow of goods, services and trade, capital and economic development within the region. Based on the 2007 Blueprint, the AEC is supposed to narrow development gap and accelerate economic community by 2015.

Among the priority sectors identified in the blueprint is the health sector. The AEC envisions a free flow of services and remove restrictions on trade in services for air transport, e-ASEAN, healthcare and tourism and logistics services.

Among the ASEAN member state is the Philippines which have made preparations in time for the 2015 target. Among its priorities is to provide universal health care coverage. Embodied in the present administration's efforts towards good governance is the passage of reform measures that seek to provide better, efficient and accessible services to all Filipinos.

Various Philippine health policies have been instituted even prior to the enactment of RA 10606 in 2013 "An Act Amending Republic Act No. 7875, otherwise known as the National Health Insurance Act of 1995."

Under the existing Universal Health Care program of the DOH launched in 2010 also known as the *Kalusugan Pangkalahatan* is the goal of providing every Filipino that is "accessible, efficient, equitably distributed, adequately funded, fairly financed and appropriately used by an informed and empowered public." (www.doh.gov.ph) Its three thrusts are: 1) Financial risk protection through expansion in enrollment and benefit delivery of the National Health Insurance Program (NHIP); 2) Improved access to quality hospitals and health care facilities; and 3) Attainment of health-related Millennium Development Goals (MDGs).

Aside from the Philippines, Indonesia and Vietnam have also made major strides in decentralization efforts and local governments have become major implementers in policies issued by the national governments. However, just like the Philippines, will decentralization and financing mechanism enable the realization of universal health care coverage?

Section 4 Article X of the 1987 Philippine Constitution clearly enunciates the general supervision of the President over local governments and for provinces to ensure that the acts of their component units are within the scope of their prescribed powers and functions. It basically embodies the implied broader powers of the local government units and allows greater participation in national development. This policy pronouncement was further enabled by the Local Government Code, a landmark measure passed in 1991. The Code devolves to local governments the responsibilities for basic services delivery which used to be reposed with the national government such as: health, social services, public works and education, among others. Their financial resources capabilities were also increased which includes: broadening of taxing powers; share from use of national wealth exploited in their areas and share in national taxes as in the case of Internal Revenue Allotment.

Given this landscape and the tangible effects of impending ASEAN integration scenario, the new law necessarily, as well as its implementation has to be viewed also in light of the capacity of the local government units. On top of that is the concomitant effort of the national government to finance its implementation and achieve universal health care coverage for all Filipinos. One such move is the new sin tax law, a revenue generating measure also intended to provide reforms in the taxing regime which was passed in 2012.

Tax as an economic intervention tool

Tax is vital to sustain vital programs of the government and in ensuring the efficient and effective delivery of services to the people. Thus, it is inevitable that it has always been viewed as an economic measure with direct impact on property, profession and businesses of taxpayers. Oftentimes, it is seen as an inevitable mode for the government to intervene within the framework of a free market society to deliver if not to preserve merit goods and control externalities.

The new sin tax law, on its face, presents its nature as more than a fiscal tool. In this study it is viewed as a reform measure, other than a revenue generation move of the administration and looks at how a typical

government economic intervention also becomes a health measure considering its goal of achieving the government's bid for universal health care coverage.

The Need to Amend

After more than a decade of efforts to reform the tax structure imposing excise tax on tobacco and alcohol products, Republic Act 10351, a certified urgent measure, was passed. Its passage would amend the existing law and impose rates that will increase revenues for the government considering the current law failed to generate much-needed revenues despite increases in the tax rates. Several weaknesses of the existing system have been pointed out.

The mandated increases in the existing law did not effectively reduce consumption of tobacco and alcohol products. In fact, data showing Family Income and Expenditure reveals that those in the bottom 30% foster higher consumption of tobacco and alcohol than those in the upper 70% in 2009.

Expenditure Items	2006			2009		
	All Income Groups	Bottom 30%	Upper 70%	All Income Groups	Bottom 30%	Upper 70%
Alcoholic Beverages	.7	1.2	.6	.7	1.1	.6
Tobacco	.9	1.7	.8	.8	1.6	.7

Source: National Statistics Office, 2006 and 2009 Family Income and Expenditure Survey Final Results

Neither does the share in government revenues of excise taxes for the past years go to the credit of the existing system. Its share of 8.2% in year 2010 to total revenue is negated by the general decline of excise tax on goods (www.ncb.gov.ph). From year 2002 or in a span of eight years, the decline is more than 5%. The share from alcohol products went down from 3.1 to 2.5 in year 2006 while that from tobacco products went down from 4.1 to 3.3 in 2007. It was also noted that there was decelerated rate of revenue increase from cigarettes shows the downshifting of consumption and production from high to low priced products.

The current multi-tiered structure is viewed as complicated with its various categories for classification creating too much room for discretion on the taxing authority. It is open to downshifting of high-priced to low-priced brands. The system is eroded by inflation due to lack of automatic tax rate adjustment and a "classification freeze" of some brands makes the system non-buoyant (www.dof.gov.ph)

Health statistics showing seven out of ten leading causes of mortality in the country is smoking-related also necessitate consideration in the need to amend the existing system.

The passage of an amendatory law is considered favorable since this would generate revenue and serve as deterrent for people to smoke. The move to increase tax rates on sin products will affect the country's ranking which is at the third lowest among countries with specific rate.

Country	Specific Duty Per Capita GDP (PPP) (in thousands)
Australia	6.16
Brunei	1.24
Fiji	8.04
Hongkong	3.08
India	5.33
Japan	2.49
Laos	2.49
Macao	0.34
Maldives	3.02
Mongolia	2.76

New Zealand	8.24
Philippines	.47
Singapore	8.11
Taiwan	1.19

Source: DOF position paper citing Emil Sunley, Tobacco Excise Taxation in Asia: Recent Trends and Development

The international community also counts as a factor especially as the country complies with its commitment under the Framework Convention on Tobacco Control where each Party adopts measures including tax and price policies on tobacco products to reduce tobacco consumption. Likewise, a Party should prohibit the sale and/or importation by international travelers of tax and duty-free tobacco products.

The Sin Tax Law

Excise taxes which are taxes on the sale of specific goods and services such as alcohol (Hines 2007) are imposed for revenue generation, benefit principle application, control of externalities and to discourage consumption of potentially harmful substances. Curbing negative externalities preoccupy governments considering these cannot be delegated and performed effectively by the private sector while still maintaining desired profits and return on their investments. In the same way, providing health insurance and services to all would better be addressed by the government.

Based on various studies, intervention by the government directly affects the price of sin products while price on the other hand is supposed to influence consumption pattern. Basic of course in a free market is also the idea that price affects demand. There is an inverse relation between price and demand. As price increases, quantity demanded for a product decreases.

Among the salient features of the new law is the move towards a simplified tax administration and lesser discretion on classification.

Mandated Tax Increase

Sin Products	RA 9334	RA 10351
Cigarettes	3.6 % + P.16	4% every year effective Jan. 2014
Distilled Spirits	8%	4% every year effective Jan. 2016
Fermented Liquor	8%	4% every year effective Jan. 2018

Source: NTRC 2011 and RA 10351

The new law points towards the direction of a uniform rate of 4% and the shift from the old multi-tiered and different rates. Perception of the government imposing unfair taxation scheme will be eliminated under the new law.

Prior to the passage of RA 10351, tax tiers are according to net retail price (NRP) or the manufacturer's or importer's price less the amount of excise and VAT (www.dof.gov.ph). It distinguishes old brands of alcohol and tobacco for the new ones. Old brands are taxed on the basis of their tax classification determined according to the Oct 1, 1996 NRP. The law also provides for an increase of the rates by four percent (4%) every year thereafter effective on January 1, 2014. For distilled spirits, the law imposes this schedule effective January 1, 2013:

“(1) An *ad valorem* tax equivalent to fifteen percent (15%) of the net retail price (excluding the excise tax and the value-added tax) per proof; and

“(2) In addition to the *ad valorem* tax herein imposed a specific tax of Twenty pesos (P20.00) per proof liter.”

Effective January 1, 2015, the law provides an *ad valorem* tax equivalent to twenty percent (20%) of the net retail price (excluding the excise tax and the value-added tax) per proof; and a specific tax of Twenty pesos (P20.00) per proof liter.

Similar with tobacco products, the law provides for the rates to be increased by four percent (4%) every year thereafter effective on January 1, 2016, through revenue regulations issued by the Secretary of Finance.

RA 10351 aside from generating additional revenues for the government also allocates 15% of the incremental revenue collected from the excise tax on tobacco products under R. A. No. 8240 to and divided among the provinces producing burley and native tobacco in accordance with the volume of tobacco leaf production. The law also requires that the fund be exclusively utilized for viable alternatives programs for tobacco farmers and workers such as: inputs, training, and other support for tobacco farmers who shift to production of agricultural products other than tobacco including, high-value crops, spices, rice, corn, sugarcane, coconut, livestock and fisheries; and programs that will provide financial support for tobacco farmers who cease to produce tobacco; livelihood and cooperative programs.

The New Sin Tax and Health Laws

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The passage of the new sin tax law becomes more significant in the policy pronouncement of providing universal and holistic health care for Filipinos. It makes vice more expensive while raising more money for health law (SONA 2012). It is expected to generate P 33.96 B additional revenues (www.rtm.gov.ph) from cigarettes, distilled spirits and fermented liquor just on the first year of its implementation. Aside from generating these projected revenues for the government, 80% of incremental revenue is allocated for the universal health care under the National Health Insurance Program, the attainment of the millennium development goals and health awareness programs. The law also provides that 20% shall be allocated for medical assistance and health enhancement facilities program.

In the course of this study, several issues have been identified which, more or less, might pose as challenges in the effective implementation of the goal of providing universal health care coverage in the ASEAN region as illustrated in the case of the Philippines. Among these challenges are decentralization and financing issues.

More needs to be done to ensure access to health services for the poor in the region despite efforts towards greater health care access and coverage.

The region although geologically proximate each other shows a region of diverse culture, historical and political development. It is therefore not a surprise that policy approaches as in the health care systems in the region vary. It was noted that health and systems approaches range “from dominantly tax-based financing to social insurance and high out of pocket payments” (Chongsoviratwong , 2011). Greater access to health services for the poor is an issue. Efforts towards universal health care coverage should further be strengthened.

This same diverse culture, history and approaches is seen to have an effect on industries in the region (Sackman 2013). This is where the ASEAN and AEC can come in to synchronize efforts among member states and the region to further improve costs and accessibility to health care, medicines and services. Needless to say, governments role is important in providing universal health care coverage.

Among the health issues that affect the Southeast Asian region are: (Chonsoviratwong, 2011) maternal and child health, infectious diseases, health workforce challenges and health care financing reforms. Human and financial resources are among the constraints that might affect ASEAN integration scenario which are present in regulation guidelines and actual enforcements in the region (Sackman 2013).

Health care spending in the Philippines may have increased between 1990 and 1997 but still places the country below average category for countries of similar wealth (Hindle 2001). Revenues from members' contribution and “out of pocket” is the largest single source of health care expenditure which accounted for

4.6% of the total in 1997 and comprise a majority of the National Health Insurance Program. With the passage of RA 9502 or the Universally Accessible Cheaper and Quality Medicines Act of 2008" the government sought to ensure access to affordable and quality drugs and medicines for all.

Comparing the Philippines with other countries, patterns have been identified. These moves toward universal insurance coverage show either: the use of tax revenues to subsidize target populations, steps towards broader risk pools, and emphasis on purchasing services through demand-side financing mechanisms. The progress attained by these countries include: increasing enrolment in government health insurance, a movement towards expanded benefits packages, and decreasing out-of-pocket spending accompanied by increasing government share of spending on health (Lagomarsino, et al, 2012)

Decentralization is also a factor identified that pose a challenge to the development of health sector in the region (Chongsuviratwong 2011). In the case of the Philippines, decentralization led to the increased role of LGUs which demands more capacity for Igus to implement crucial policy reforms devolved and decentralized. Decentralization is a process that intends to hasten decision making by decongesting central government and decreasing red tape (Brillantes, 1986). It is intended to increase citizen's participation, empower them and the local units.

Conclusion

In an era where governance encompasses government and society as well as the delivery of public goods, various reforms have been instituted. On top of the list always would be institutional reforms. This paper, however, preferred to look at a tax measure by focusing on the reasons for its passage, the objectives sought to be achieved and its role as government intervenes. It looks at the interplay of various factors and areas of concern which the government encounter and must dealt with to carry out initiatives such as the sin tax without compromising the needs of the public as well as that of the government. On one end is the need to generate revenues to enable the government to carry out its programs and projects. On the other end is to fund health care coverage to Filipinos and deter consumption of sin products by the vulnerable groups. Another significant factor is the effect on the group of tobacco producing provinces and farmers by any increases in tax rates on tobacco products. The passage of the law does not only need an analysis of the law of supply and demand, price and demand or factors of production. Needs and interest of crucial key players and sectors of society also came to fore.

In summary, the policy measure was intended to address pressing needs of the society specifically, as additional revenue source and to finance universal health care coverage. In addition to this health aspect is the law's objective of providing additional funding support for tobacco farmers who will be affected by the new increase in rates. The new system is hoped to increase government revenues as well as discourage consumption of tobacco and alcohol especially among the vulnerable sectors such as the youth and the poor. It is also in synch with the drive of the present administration against graft and corruption and transparency as the new system is believed to eliminate discretion as perceived under the old one.

The Sin tax law can be viewed as a means by which the government intervened in the existing set-up and in the market. The need for a government to intervene cannot be denied especially in addressing externalities and delivery of public goods that a normally functioning free market society cannot efficiently produce. Providing health care coverage for the people is one of the reasons merit goods that prods any government to intervene. Letting the free market's invisible hand alone to correct any excesses or externalities is not enough for it is blind even to the inequalities within an economy (Hockley, 1992).

Viewed within the country's role as a member of the region, the law is a concomitant measure to the state's mandate with respect to health and the enabling laws. A country's objective and resolve of providing basic services to its people can best be determined by the accompanying or existing economic policies and revenue support measures. In trying to attain a strong health sector, aside from financing and revenue measures, existing factors such as decentralization and role of private sector should also be addressed.

Given the demands and effects of liberalized and removal of trade restrictions, the state should address healthcare policy issues especially financing, a development social issue and a public good. Even with the increasing role of institutions like the ASEAN and the international community on the traditional mandates of states and nation states, the role of providing health and welfare services and public goods reinforces the role of states. As shown in this paper, even with the growth of private sector participation in health care services, the

issue of providing universal health care as well as the issue of financing remains a concern of the state and the government. Hence, the demands posed on ASEAN member states with the envisioned goal of an integrated ASEAN economic community leading to liberalization or removal of trade barriers as well as a competitive private sector, the issue of health financing remains strong.

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ASEAN, Food Security, and Land Rights: *Enlarging a Democratic Space for Public Services in the ASEAN*

(35)

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Abstract

The paper revisits and elucidates the relevance of Development Administration and its scion, Comparative Public Administration (CPA) in diagnosing organization and management implications of development problems, specifically landlessness and food security in the Southeast Asian region. Intrinsic to the CPA approach is the need for maintaining relevant connectivity among countries to extract knowledge that can more or less lead to theory. The paper presents a cursory briefing on the ASEAN and a possible multistakeholder approach in tackling the hitherto land and food security problems in the region, with the view of connecting the different perspectives by various scholars and practitioners of public administration, including academic / research alliances in the member countries, to carry out a regional engagement. The paper presents a possible regional framework of action for engaging the ASEAN as possible analytical framework in tackling development issues using the lenses of Development Administration and Comparative Public Administration

Keywords: Development Administration/ Comparative Public Administration/ Food Security/ Landlessness/ Globalization/ Postmodern Organization and Management Theory/ ASEAN/ Civil Society Organizations

Introduction

Food security is an important component of poverty reduction, especially with the new post-2015 Millennium Development Agenda of eradicating extreme poverty by 2020. According to a United Nations hunger report (FAO-UN, 2012), nearly 870 million people, or one in eight, were suffering from chronic undernourishment in 2010-2012. In its 2012 State of Food Insecurity (SOFI) report, the UN said that the vast majority of the hungry during the period 2010-2012 (870 million people), 852 million live in developing countries -- around 15 percent of their population -- while 16 million people are undernourished in developed countries.

The number of hungry people fell based on the State of Food Insecurity (SOFI) in the World Report in 2014, which posted that about 805 million people are estimated to be chronically undernourished. Despite overall progress, the UN also said that marked differences in the achievement of food security across regions persist. Latin America and the Caribbean are reported to have made the greatest overall progress in increasing food security with modest progress in sub-Saharan Africa and Western Asia, which have been afflicted by natural disasters and conflict.

The same UN Report (2014) also stated that “hunger reduction requires an integrated approach, and needs to include: public and private investments to raise agricultural productivity; better access to inputs, land, services, technologies and markets; measures to promote rural development; social protection for the most vulnerable, including strengthening their resilience to conflicts and natural disasters; and specific nutrition programmes, particularly to address micronutrient deficiencies in mothers and children under five.”

The theory and practice of Food and Nutrition Security (FNS) has evolved significantly during the last few decades. According to InWent's *Achieving Food and Nutrition Security* (Klennert, ed., 2005, p. 149), small and subsistence farmers “still constitute a-- or even *the* -- major vulnerable and food insecure population group in many countries.” There is need to enhance their capacity to increase agricultural and food production to mitigate problems of access, availability and stability, according to InWent. Consistent with the UN recommendation above, one of the main actions to improve the availability of food according to InWent is the improvement of access to land (i.e., among others. land and land tenure reform), the improvements of productive assets as well as targeted support for production are still the predominantly known agricultural support mechanisms. Even for food production in urban areas, one of the basic components pointed out to improve urban agriculture is to secure access to land and land use rights (p.153).

However, compounding the issue of poverty and food security is the problem of landlessness or lack of land rights among the poor in Asia. Essentially Poverty is a rural problem in Asia, According to the Rural

Poverty Portal of the International Fund for Agricultural Development (2009), in the major countries in Asia, 80 to 90 per cent of poor people live in rural areas. IFAD reports that many poor rural people in Asia share a number of economic, demographic and social characteristics, the most common of which is landlessness or limited access to land. In developing countries, many of the poor are landless¹. Some do have access to land, but according to the Asian NGO Coalition (ANGOC, 2006), these “landed poor” remain poor, not just because they are deprived but because their landholdings are small. More unfortunately however, their land rights are weak and insecure.

Because of this uncertainty, the land-poor’s incentive to make long-term investments in their land or use it sustainably is undermined. Moreover, the economic value of their land is limited because they cannot transfer ownership legally. Still, the weak tenure of land for the land poor limits their political power and they become dependent on landlords for continued access to land, and their political participation is beholden to those who hold power over them.

The author has been involved in development issues in Asian countries such as land and food issues working with civil society organizations in the region, primarily through the Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC)². Land Watch Asia (LWA), a main partner of ANGOC, is an advocacy group among organizations working on access to land in six Asian countries, namely Bangladesh, Cambodia, India, Indonesia, Nepal and the Philippines. ANGOC spearheaded this initiative with the original intention of establishing a mechanism for CSOs working towards better land rights for the rural poor in Asia. One of the institutions examined was the Association of Southeast Asian Nations (ASEAN) for its policy and legal environment which can possibly influence a regional advocacy not only on land rights and issues, but also as land rights and issues would impinge on food security issues.

While the study was meant to be an action research towards a pragmatic regional advocacy program led by CSOs on land, this author thinks there is also a need for a framework or lens to study public administration and the governance of regional development issues, such as land and food issues, and a more concerted effort if regional organizations such as the ASEAN were to be sustainably engaged. In this regard, the opportunity for theory-building can be couched on the wealth of experience in the Southeast Asian region on engagements in development issues by various actors, especially civil society organizations as well as the academic sector in the region.

In Public Administration, one such framework that encompasses on the ground experiences by states or national governments in the management of development issues is Comparative Public Administration (CPA). This paper is contextualized in such significant subfield of Public Administration. The paper also discusses CPA’s precursor Development Administration (DA) as an important foundation of CPA.

Objectives of the Paper

In the attempt to highlight the significance of public administration models in addressing development issues, the objectives of this paper are:

1. Within the context of land and food issues in the Southeast Asian Region, revisit Development Administration (DA) and Comparative Public Administration (CPA) in the light of finding connectivity using postmodern thinking.
2. Present a regional issue where “fresh CPA” could be applied.

¹ To cite some examples, in 1999, Cambodia had 20% of its rural population who were believed to be landless (Cambodia Development Review 1999 cited in IFAD, *Whose Land?* 2001) and 10% of households in survey villages held 33% of farmland (Murshid 1999 cited in IFAD, *Whose Land?* 2001). Indonesia and the Philippines had 15% and 34% of their rural population who were landless, respectively, in 1988. Although data is old, patterns of landholding revealed that in 1976-77 Indonesia had landholdings of only 3%, and the Philippines 3.2% in 1981, for the lowest 20% of the agricultural households of both countries.

² The Asian NGO Coalition (ANGOC) was established in 1979, among national NGO networks in Asia following a series of consultations leading to the World Conference for Agrarian Reform and Rural Development (WCARRD). ANGOC has since engaged national governments, Intergovernmental Organizations (IGOs) and International Financial Institutions (IFIs) on the issues of greater civil society participation and the pursuit of agrarian reform, sustainable agriculture and rural development in the region. Currently, ANGOC has a membership of 21 national and regional networks of non-government organizations (NGOs) from 10 Asian countries. It also seeks to address the key issues related to sustainable agriculture, participatory governance and food sovereignty in Asia. The author was Deputy Executive Director of ANGOC in 2008-2009 and Senior Program Officer in 1991-1994.

Passing Review of Relevant Public Administration Concepts

1. Revisiting Development Administration

Before the 1960s, government agencies were preoccupied with productivity and efficiency, the values promoted in the classical Weberian bureaucratic model. As economies expanded, administrative systems had to cope with complex problems brought about by industrialization and with national development. The new concerns then shifted to the pursuit of development goals. As one scholar describes this pursuit of new development goals by the administrative machinery in the late 1970s: With the awakening issues of human rights and basic human needs, and a changing international order, development administration can and must address equity and redistributive issues with a focus on the implementation problems that these issues raise (Bryant, 1978, p. 215).

From the classical model of public administration, scholars then turned to 'development administration' as the newer paradigm, which basically focused on nation-building as well as socio-economic progress. Some definitions of development administration may be quoted. For instance, John Montgomery (1966) defines development administration as "carrying out planned change in the economy (in agriculture or industry, or the capital infrastructure supporting either of those), and, to a lesser extent, in the social services of the state (especially education and public health)." Moreover, Fred W. Riggs (1970) has defined development administration as "organized efforts to carry out programs or projects by those involved to serve development objectives." For Sapru (1994), whose seminal book *on Development Administration(2nd edition)* will be cited in this section to a large extent, the primary objective of development administration is to "strengthen the administrative machinery which would bring about socio-economic development" (p. 81).

Thus, in the early 1960s, the central concern for politics among American scholars was "development for developing countries". Back then the students of Public Administration looked at the problem of development from the lens of administration. In a study by David Stone (1965, cited by Sapru, 1994, p. 92), an observation was that "the primary obstacles to development are administrative rather than economic...Countries generally lack the administrative capability for implementing plans and programs."

However, while development administration became a popular approach to studying public administration in the 1960s especially among American scholars, Sapru (1994, p. 96) contends that the scholars then were "more interested in building theories and coining words...but were not familiar with the culture of the developing countries in which they find themselves". Sapru further argues that the theories employed by the development scholars then were not grounded on empirical and research insights.

Furthermore, Sapru (1994, p.97) opines that the American scholars at the time gave too much attention to administrative reform and less to political reform. He therefore exhorts political reform to precede administrative reform or for both reforms to go alongside each other, "if the goals of development are to be achieved". Sapru adds that "how to make the administrative state accountable and responsible is the crux of the problem in developing countries" (p.97).

The above arguments point to the importance of public administration systems to respond to national development goals and bring about development, while recognizing public administration systems' intrinsic link with political and social institutions.

The attempt towards theory-building in public administration was prominently emphasized by Robert Dahl in his essay, *The Science of Public Administration* in 1947. To quote Dahl (1947):

No science of public administration is possible unless...there is a body of comparative studies from which it may be possible to discover principles and generalities that transcend national boundaries and peculiar historical experiences.

2. Comparative Public Administration: Renewing its Relevance

Consequently, the challenge of theory-building and coming up with a science of administration independent of their peculiar national setting was taken up by the school of Comparative Public Administration (CPA) in the United States of America. Though interest on this approach to public administration has somewhat waned, it is perhaps time to revisit CPA, especially with the quagmire in development efforts societies around the globe are commonly coming to grips with, such as wanton destruction of forests and other natural resources for different types of industries, conversion of large tracts of land that were once rice lands for real estate, lack

of access to education or non-functional literacy in many developing countries, hunger and malnutrition, and spread of communicable diseases such as the deadly Ebola virus in recent months. While practical solutions to such problems may be state or country-specific, it is also possible that generalizations can be made from studies on public administration aimed at generating knowledge from the diagnosis of such problems.

Foremost among the scholars identified with Comparative Public Administration has been Fred W. Riggs (1976) who defined the areas for comparison to include studies on foreign administrative systems, methodology, and the generalized or global framework for thinking about problems. In short, one of the main objectives of the school of comparative public administration is to build a theory of 'public administration for development' through an analysis or through propositions about administration of different nations.

In the attempt to build theories of administration for development using comparative public administration, some authors have endeavored to outline some guidelines which may be considered in designing researches. Chandler and Plano (1982, p.11, cited by Sapru, 1994, p.101) for example summarizes five motivating concerns for Comparative Public Administration as follows: (1) the search for theory; (2) the urge for practical application; (3) the incidental contribution of the broader field of comparative politics; (4) the interest of the researchers trained in the tradition of administrative law; and (5) the comparative analysis of ongoing problems of public administration. These motivations point to the problem-orientation focus and a preference for an orientation towards pragmatism of public administration in CPA researches.

As already pointed out, traditional studies on public administration systems have been descriptive in nature. Aside from their lack of handles by which to make generalizations for theory-building, traditional studies were non-ecological in approach and had little if no analysis on the environment in which public administration systems functioned (Sapru, 1994, p.102). In adopting the ecological approach, Riggs and other scholars urge researchers to examine the interactions between an administrative system and its external environment. For Jain (1991), comparative public administration allows public administration systems to widen their horizon in order to offer relevant and practical solutions to the problems faced by mankind. Thus, an outward-orientation of public administration systems has characterized studies in this field especially as public administration systems respond to their environment and to development goals in most developing countries.

Because of problems confronting a large portion of the global population, comparative public administration as a subfield of study becomes all the more expedient. Sapru (1994, p.104, para. 1) has given us basis for this imperative as he alludes to CPA's problem-solving orientation. In his book, *Development Administration*, Sapru contends that CPA's central theme is that of "development" (1994, p.111). Since the scope of CPA is quite vast, CPA studies can span across different levels of institutions and examine relations among public administration institutions. It suggests that both national and international institutions be strengthened, "in order to forge new modalities for concerted action to improve public administration for development," to which he adds, "for this purpose, it will be quite useful to establish a network of these institutions to enable flow of information and provide opportunities for collaboration on projects" (Sapru, 1994, p.103). This is an implication of the importance of the idea of connectivity for civil society in general.

Further, as organizational networks search for solutions to common problems confronting states today, we also see the importance of these networks' management information systems (MIS) as an area of research in comparative public administration. An MIS should be part of capacity building and strengthening of organizational networks as they carry out development work. Connectivity through MIS will be very significant in studies on collaborative governance especially among countries in regional blocs such as the Association of Southeast Asian Nations (ASEAN).

The international and cross-cultural nature of comparative public administration is succinctly described by Jong S. Jun (1976, cited by Sapru, 1994, p.103) who says that, "comparative administration has been predominantly cross-cultural or cross-national in orientation", adding that Comparative public administration can be pursued also in a cross-institutional or case-study approach in a single country – what Riggs called 'ideographic studies'. Comparative methods will allow us to engage in comparative studies of domestic programs or urban policies across boundaries of state and local governments.

Sapru adds that the scope of comparative public administration is international as it is concerned with problems currently confronting public administrations of different countries. In terms of scope and nature therefore, comparative public administration studies can be macro, meso or micro level in nature and can also be inter-institutional, cross-national, cross-cultural and cross-temporal.

With the advent of globalization as well as with the rise of regional blocs, the relevance of CPA studies in the analysis of country-level public administration systems and their responses to development situations cannot be overemphasized. In the Southeast Asian region alone, the Association of Southeast Asian Nations (ASEAN) has been enunciating regional integration by the year 2015. This paper attempts to re-examine the relevance of comparative public administration studies in the light of globalization, regionalization, or other phenomena beyond national boundaries. Specifically, this paper discusses the problem of landlessness and food insecurity among Southeast Asian countries and what might possibly be a public space for dialogue between and among national public administration systems, civil society groups, with the ASEAN as a regional organization represented by heads of states of member countries, plus other dialogue-member countries.

This paper offers an agenda or a framework for ASEAN and the key players in the region towards addressing such pervasive problems of landlessness and food insecurity as key poverty alleviation interventions. Public administrative structures or arrangements as well and other important dimensions of public administration at the regional level are deciphered as part of the agenda. However, in line with the prescriptions offered by comparative public administration scholars partly mentioned in this study, the nuances of such a framework for a regional action towards addressing landlessness and food insecurity and their particularistic features in specific countries will have to be studied at length, although these studies will have to be done in future researches as these are not included in this paper. Riggs (cited in Sapru, 1994, p.102) calls the latter *ideographic studies*, which attempt to focus on a single country or single agency (such as an agricultural administrative unit).

Trans-border Issues and Public Administration

1. Connectivity Implications in a Globalizing World Order

The concept of global forces impinging on the discipline of public administration has been taken up by scholars (Riggs in Garcia-Zamor and Khator, eds., 1994), some of who have attempted to globalize the theory and practice of public administration (Caiden 1991). Others envisioned a new world of public administration in a “globalized village” (Garcia-Zamor 1992; Khator 1992, cited in Garcia-Zamor and Khator, eds., 1994). Still, other authors have implied the need to use all subfields of public administration especially development administration, not to search for new ideas to solve international problems but to fundamentally shift or adjust ways of thinking about such problems.

In the light of the New World Order, public administration academics have used different lenses to find relevance in adjusting frameworks, structures and processes of administration. The New World Order is sometimes considered a rhetorical device, which is actually not a new concept. The term was made more popular in the mid-1980s to early 1990s, especially by the frequent use of then Vice President George Bush of the term. For James Rosenau (1990, p. 419, cited by Farazmand, p.65) who gave a more vivid description of the New World Order in his book, *Turbulence in World Politics*, this new world system carries with it constant change and challenges and which for him would enjoy more stability and peace than ever before. He predicted that ideology would decay, governments would narrow in competence, people would demand more and that ‘an emergent global culture’ would be characterized by global interdependence.

Other scholars have viewed comparative public administration using a postmodern lens enunciating a critical discourse especially towards adjusting organization and management theory (Boje, Gephart, Jr., and Thatchenkery, eds., 1996). These authors provide an agenda as well as critiques on organization and management, exploring social as well as organizational changes management may encounter in an era of postmodernism. Clegg and Gray (1994, p. 307) see globalization as one of the more significant challenges for management and organization theory because of its tendency to be simultaneously a process of compression of space and time and, consequent upon this, an exacerbation of relativities between narratives of self, society, the globalizing world, and the increasingly transparent ways of being human, one to the other, that this complex of compression and relativization presents.

The roles and active participation connecting different actors in society is of high premium for postmodernist scholars who offer to rethink organization and management theories. The reduction of these different actors of society to “economies” instead of “societies” is one threat that globalization brings as implied by Clegg and Gray (1994, 301). They further cite the threat of globalization towards denigrating the value of different forms of life as cautioned by Robertson (1992, p. 27):

In an increasingly globalized world, there is a heightening of civilization, societal, ethnic, regional, and indeed, individual, self-consciousness.

Hence, Robertson offers a model that captures these different forms of life relating national societies, the world system of societies, selves, and human kind. However, Clegg and Gray propose a slight revision of this model to insert the centrality of organizations as circuits of production and consumption. The figure below depicts this slightly revised model which is relevant for organization theory.

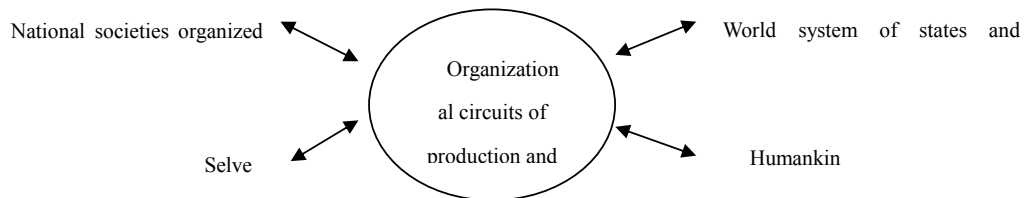


Figure1. A Proposed Revision of the Model of Globalization by Robertson
Source: Clegg and Gray, in Boje, et al., eds., 1996, p. 305

2. Towards Mobilizing Stakeholders in a Regional Alliance: A Postmodernism Approach

In particularistic and postmodern studies, the voices of different actors -- and perhaps of different forms of life -- are of paramount value. Jerry Calton and Nancy Kurland (cited in Boje, et al., 1996, p.154-177) offer a theory of stakeholder enabling, which primarily aims to give voice to an emerging postmodern praxis of organizational discourse. Their theory pursues a decentralization of organizational discourse by putting at the center multi stakeholder dialogues to replace privileged managerial monologues. Following this trajectory, this paper shall place at the center perspectives of civil society groups and other non-state actors in analyzing loopholes and weaknesses in land distribution and food security programs focusing on the ASEAN as a regional institution.

Boje et al. (1996, p.155) cite Freeman's (1984, p.25) landmark book on the stakeholder concept, which defines stakeholders as "those groups and individuals that can affect, or are affected by, the accomplishment of organizational purpose". For landlessness and food security issues, other stakeholders who might be included in the list of stakeholders are farmers groups; nongovernment organizations working on food security, land or agrarian reform, and rural development; private firms engaged in food supply, marketing and distribution; credit institutions and other financing institutions that have credit programs for farmers; and other members of the community who want to make a difference regarding the problem of land and food security.

As mentioned earlier, a postmodern theory of stakeholder enabling in organization and management studies is that of decentralizing or decentering discourses from managerial monolithic narratives to the plurality of voices that have a stake in the organization. This act of decentering is crucial as it begs to "empower 'silent voices' of marginal groups by 'deconstructing' the hidden meaning within the predominant organizational text" (Freeman & Gilbert, 1992; Rosenau, 1992, cited by Boje et al., 1996).

For such authors who subscribe to the decentering approach, the epistemology may be found in what Rorty (1989) calls "affirmative" postmodern epistemology, which is also based from the philosophy of liberal pragmatism (cited by Boje et al., 1996, p.164). These authors aim to enable a participatory process for a marginalized community's previously silenced voices to be heard. Another author cited by Boje et al is Rosenau (1992, pp. 169-173) who reserve for postmodern authors an interpreter role for "multiple voices in local community dialogues or conversations."

Some of the metaphors drawn from the feminist "ethic of care" and "connected knowing" from theories of Gilligan (1982, 1988) and Belenky, Clinchy, Goldberger, and Tarule (1986) are recommended by Wicks, Gilbert, and Freeman (1994 in Boje et al., 1996), and we cite two of such methaphors:

Metaphors of conflict and competition are replaced with those of communication and collective action...

Wicks et al. are said to have valued the relational benefits of communication or the connectivity among agents and stakeholders as they note (cited by Boje et al, 1996, p.166):

Communication provides a mechanism for persons to interact with and learn from one another, to build trust, to find points of agreement and disagreement, to discover how a relationship can enrich each party involved, and to sculpt a form of interaction that fits them (Wicks et al, 1994, p.47).

The other metaphor recommended by Wicks et al. (1994) stresses on solidarity with stakeholders:

Strategy as “objective” analysis becomes strategy as solidarity in relations between agents and stakeholders.

Kegan (1982, p. 244, cited in Boje et al., 1996) says an implication of the above metaphor is the importance of the “institutional capacity for intimacy” where the meaning of the relationship among stakeholders is jointly crafted and regularly negotiated. The other implication Boje et al. (1996) point out is that the “rules of the game” are defined through an interactive process of organizational discussion.

Emerging organizational forms in stakeholder enabling are described as interactive and encompass various forms of connectivity including international strategic alliances. In this paper, we outline a series of steps to be done but initially among civil society organization members, which could also be carried out in connectivity with other actors, as they are in the process of engaging the ASEAN with regard to the problem of land and food security.

Enlarging the Democratic Space for Food Security and Land Rights in the ASEAN: Conceptualizing a Regional Academic Alliance for Food Security and Landlessness in Asia

As mentioned above one of the regional organizations engaged in land and food security issues is Land Watch Asia (LWA and the Asian NGO Coalition for Agrarian Reform (ANGOC). In 2008, a research was carried out by this author as commissioned by Landwatch Asia³ to:

1. Assess the policy and legal environment on access to land and tenurial security.
2. Assess the past contributions and existing efforts of different sectors (government, private sector, donors, social movements and civil society) in addressing land issues
3. Identify opportunities & strategies in effectively addressing existing issues and gaps and advancing access to land and tenurial security.

One of the institutions examined by ANGOC and LandWatch was the Association of Southeast Asian Nations (ASEAN) for its policy and legal environment which can possibly influence a regional advocacy not only on land rights and issues, but also as land rights and issues would impinge on food security issues.

In terms of methodology, the case study used mainly secondary data review, focus group discussions with civil society groups, and a key interview with a former high-level official at the ASEAN. The case study looks at two major aspects of ASEAN policies, framework and approaches: (1) *first*, at the *conceptual* level, the paper looks at ASEAN’s basic understanding and perspectives on agriculture, food security, poverty eradication, sustainable development, and social justice or the socio-political dimension of development where possible discussions on land can be dovetailed; and (2) *second*, at the *operational* level, the study examines ASEAN’s openness to engagement with civil society organizations by asking critical questions that beg for answers and clarity on the part of the ASEAN and even on the part of ASEAN member country senior officials.

This paper revisits the bases for extracting ASEAN’s important declarations, agreements, policies, principles and approaches, contained in ASEAN documents acquired from the public domain by ANGOC and Landwatch and further explore implications for longer term regional engagement on the ASEAN. At the same time, the paper highlights relevant features of a regional framework as basis to further research and advocacy on particularistic conditions of public administration / organization and management towards building theories for comparative public administration.

³ This was contained in an unpublished report prepared by this author for the Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC) in June 2008.

1. ASEAN's Perspectives on Social Development, Rural Development and Poverty Eradication, Agriculture and Food Security, Environment and Sustainable Development

Although ASEAN has positive statements regarding social development, rural development, poverty eradication, agriculture and food security, environment and sustainable development, the details are not clear. Several points need to be threshed out and clarified, as can be gleaned from the set of questions we ask below under each item related to land rights and food security.

First, at the 10th ASEAN Summit, the *Vientiane Action Program for ASEAN* was formulated and signed by the Heads of States of the member countries, highlighting the “Building a Community of Caring Societies”:

The hallmark of a strong and resilient community of caring societies is its commitment and capability to address the core issues of poverty, equity and health. National initiatives will fundamentally drive the manner and extent to which these issues are addressed. However, the Member Countries can gain significant leveraging of political commitment and goals at the national level through regional advocacy.

We discern that ASEAN has slowly become outward-looking in its orientation. Does this mean that ASEAN is ready to support a regional movement in trying to solve core issues of poverty, equity, etc. in the aspect of food security and land rights and issues for the land-poor in the region? Although as ASEAN declares “national initiatives will fundamentally drive the manner to which (these) issues are addressed”, can ASEAN give the push to national governments to support such cause on land issues and food security? Nevertheless, the above statement is a strong base for engagements with national governments and in monitoring such commitments, verifying whether public administrative systems in various sectors are operational.

Second, although ASEAN has produced a document on the *Ministerial Understanding on ASEAN Cooperation in Rural Development and Poverty Eradication*, there is no explicit definition for Rural Development (RD) and Poverty Eradication (PE). The concept of social justice, though espoused in the Ministerial Understanding, is also not defined in depth. The Ministerial Understanding on ASEAN Cooperation in Rural Development and Poverty Eradication declares:

Reaffirming the Declaration of ASEAN Concord signed in Bali, in February 1976 which noted that the elimination of poverty, hunger, disease and illiteracy is a primary concern, and resolving to intensify cooperation in economic and social development, with particular emphasis on the promotion of social justice and on the improvement of the living standards of the people in ASEAN, and

Recalling the decision of the Fifth ASEAN Summit Declaration of 1995 to improve the quality of life of the peoples of ASEAN by ensuring social justice, improving the quality of and access to social services and working towards the reduction of poverty...

How does ASEAN in the context of the above statements define elimination of poverty? What aspects of development in the ASEAN region is social injustice prevalent? Also, how can social justice for landless and land-poor farmers be ensured? Such questions need to be operationalized within ASEAN.

Third, Food security is recognized by the ASEAN Ministers; however, landless farmers and their rights to land do not seem to be explicitly recognized in the Ministerial Understanding on ASEAN Cooperation in Rural Development and Poverty Eradication. Thus, an advocacy for their rights should all the more be pursued with ASEAN. Notice the following statements:

Recalling that the 1996 Rome Declaration on World Food Security and the World Food Summit Plan of Action stated that poverty eradication is essential to improve access to food and that equitable access to staple food supplies should be ensured as poverty, hunger and malnutrition are some of the principal causes of accelerated migration from rural to urban areas in developing countries.

Furthermore, food security is espoused in the *The Hanoi Plan of Action*, which states that ASEAN aims to: “enhance food security and global competitiveness of ASEAN’s food, agriculture and forestry products...”. How does ASEAN define food security and food accessibility in this regard? ASEAN’s analysis on factors affecting food security in the ASEAN region would also help provide the foundation of agendas for engagement on land issues.

Fourth, what about access to land? Does ASEAN see this connection between food security and the lack of access to land, poor or unequitable land allocation and the lack of secure land tenure? The final

statements below need to be checked with national governments to validate the perspectives and plans of government officials:

Recognizing that empowerment and active participation of rural population, particularly of the vulnerable and disadvantaged groups, plays a critical role in rural development within the framework of national development strategy, structure and system of ASEAN countries.

...Do hereby declare our agreement to strengthen and coordinate ASEAN collaboration in rural development and poverty eradication by adopting the following as the Framework of the ASEAN Plan of Action on Rural Development and Poverty Eradication.

Fifth, connectivity among the ASEAN nations has been definitely enunciated as ASEAN recognizes the importance of databases and information sharing and in addressing transboundary issues, including food and agriculture. For instance, *The Hanoi Plan of Action* declares that ASEAN shall:

Enhance food security statistical database and information by establishing an ASEAN Food Security Information System (AFSIS) which would allow Member States to effectively forecast, plan and manage food supplies and utilization of basic commodities...

Also, the same Plan of Action states that it will: "Strengthen ASEAN's cooperation and joint approaches in addressing issues and problems affecting trade in the region's food, agriculture and forestry products including environment and labor issues".

However, what needs further validation is what the source of database for food security in the region is. Does ASEAN also use databases of farmers' profile in the region from CSOs? Has there been an attempt to use as reference data on farmers who are landless or are land-poor in the ASEAN region? Are there statistics on landlessness or ownership of agricultural land distribution in the region? How may ASEAN's database management be improved for better connectivity among the ASEAN member countries and partners especially on land issues and food security and on a broader sphere, on rural development issues?

Lastly, among the fundamental perspectives ASEAN ministers, we note the seemingly high premium they seemingly confer on civil society and in combating global or transboundary issues. At the 13th ASEAN Summit Meeting in 2007, the Summit declared:

We agreed that ASEAN, as a region, must do its part in addressing these issues. Through the ASEAN Declaration on Environmental Sustainability, we pledged to deepen cooperation in a wide range of activities, including combating transboundary environmental pollution, and ensuring the conservation and sustainable management of natural resources....

We noted the reports from the ASEAN Inter-Parliamentary Assembly, ASEAN Foundation and the ASEAN Civil Society Conference 2007 which was held in Singapore in October 2007. We renewed our commitment to build a people-oriented ASEAN that is responsive to the needs of its peoples, and welcomed the ongoing efforts to institutionalize a genuine process of dialogue between the Leaders and all quarters of society, with the ASEAN Secretariat playing a key role as facilitator. We noted the comments and suggestions made by the civil society groups, including the need to deepen economic integration and community-building efforts, pay attention to well-being and livelihood of vulnerable groups in society, promote democracy, good governance and human rights, effectively resolve the transboundary environmental pollution...

The declarations do not however specify how civil society organizations can participate in such discussions. In the promotion of sustainable management and use of soil, forest, coastal and marine environments, what premium does ASEAN put on access to land?

2. Important Mechanisms for Long-Term Engagement with ASEAN on Poverty Reduction, Rural Development, Food Security and Land Issues

Based on the analysis of available documents, among the mechanisms / structures listed below, Track II appears to be the most feasible and strategic entry/ window for a regional civil society-led, specifically for academic think tanks or research groups' engagement with ASEAN on land issues. The ANGOC-LandWatch study (2008) however identified the Ministerial Meeting as the mechanism to eventually engage with as verified initially with Ambassador Rosario Manalo, a member of the High Level Task Force on the ASEAN Charter, a key informant for the case study. The Ministerial Meeting may still be a point of engagement after a regional academic think tank or research group has been accredited with Track II.

Further, other structures and mechanisms at the ASEAN may also be explored by regional civil society organizations for conducting possible high or medium-level policy dialogues with ASEAN to which they may bring forth issues on land, poverty eradication and rural development in general, and engage on a particular. However, these structures have to be further studied in depth to identify the focal points or coordinators at the member-country level. Below is a list of some of these mechanisms and structures.

2.1 ASEAN Summit

This is the highest decision-making organ of ASEAN is the Meeting of the ASEAN Heads of State and Government. The ASEAN Summit used to be convened every three years, with informal meetings in between, but since 2001, the Summit meetings have been conducted annually.

2.2 ASEAN Ministerial Meetings (AMM)

An annual meeting of ASEAN Foreign Ministers is regularly scheduled. The other ministerial meetings which are held regularly: agriculture and forestry, economics, energy, environment, finance, higher education, information, investment, labor, law, regional haze, rural development and poverty alleviation, science and technology, social welfare, transnational crime, transportation, tourism, youth, as well as meetings of the ASEAN Investment Area (AIA) Council, and the ASEAN Free Trade Area (AFTA) Council.

2.3 Committees of Senior Officials, and Technical Groups

Supporting these ministerial bodies are 29 committees of senior officials and 122 technical working groups. The committees of senior officials are called Senior Officials Meetings (SOM), meeting regularly during the year or on an ad hoc basis preparing for events or other higher-level meetings.

Pertinent to the work on social development and poverty eradication has been the Senior Officials Meetings on Rural Development and Poverty Eradication (SOMRDPE) and the Meeting of the ASEAN Ministers Responsible for Social Welfare (AMRSW) or SOM on Social Welfare. Are these two mechanisms still functional? How can civil society groups engage in a dialogue with these two? How can civil society make inputs or contributions? These should be further investigated.

2.4 The Areas of Cooperation

While these areas of cooperation have been mentioned in the past, their functionality, mechanisms, policies and structures need to be deciphered and reassessed. Furthermore, it should be determined why these are called Areas of Cooperation. How are they different from the other working groups with ASEAN? What are their functions? Do these 'areas of cooperation' still exist?

There are four major areas of cooperation under ASEAN framework, namely:

1. Political and Security Cooperation;
2. Economic Cooperation;
3. Functional Cooperation; and
4. Development Cooperation.

Since the articulation of the ASEAN Vision 2020 in 1997 and the adoption of the Hanoi Plan of Action (HPA) in 1998, ASEAN had entered into more systematic process of development through cooperation planning and programme implementation. The HPA is the first of a series of plans of action building up to the realisation of the goals of the Vision. It contains further articulation of ASEAN development objectives and listed more specific goals to be attained within the HPA's effective period of 1998-2004. According to the website of the ASEAN Secretariat (downloaded in 2006), "with such a structure in ASEAN development direction, more systematic achievement of these development goals can now be pursued through coordinated implementation of ASEAN cooperation activities"(<http://www.aseansec.org/14418.htm>)

Some of the questions worth probing are the following: What does each of the areas of cooperation cover? Where would discussions / agenda on land issues fall in the cooperations mentioned above? More importantly, the effectiveness of formulating such types of cooperation in terms of implementing the Vision 2020 of ASEAN based on official documents will have to be assessed.

2.5 The Functional Cooperations

The ASEAN leaders resolved in 1995 to elevate 'functional cooperation' to a 'higher plane'. The 'Framework for Elevating Functional Cooperation to a Higher Plane' was adopted in 1996 with a theme: "Shared prosperity through human development, technological competitiveness and social cohesiveness". Among others, the Areas of Functional Cooperation include:

I. Poverty Eradication (Committee on Poverty Eradication guided by the Plan of Action on ASEAN Rural Development and Poverty Eradication)

II. Social Development: (Committee on Social Development guided by the Plan of Action on Social Development and the Hanoi Plan of Action)

Again, it is important to determine whether the two areas under the Functional Cooperation Division still exist. Who are the focal points in the mentioned Committees for each of these two (i.e. Poverty Eradication and Social Development)? What is the governing body composed of?

2.6 The ASEAN-Bilateral Aid Track supportive of Agricultural and Rural Development

ASEAN has Dialogue Partners, supportive of agricultural and rural development, which can also be windows for engagement through a bilateral ODA-link, such as the ASEAN-Japan Dialogue and the ASEAN-Australia Dialogue.

3. Possible Mechanisms for Civil Society Engagements with the ASEAN

As of 2001, there were a total 56 NGOs accredited to ASEAN (ICSW Briefing paper 2001). Many of the NGOs are technical-oriented or special-interest groups. Only a few are directly related to the work on social development. ASEAN as an organization has yet to set a track record of working with civil society organizations, especially in the development of plans of action and decision-making at all levels. The number of accredited NGOs could have already increased as of today. ASEAN has an existing system of accreditation of civil society organizations. For a regional advocacy on land rights, the lead organization needs to first acquire accreditation with ASEAN (details on system mentioned above).

3.1 Parallel or advisory structures in the ASEAN: Possible Civil Society Engagements with the ASEAN

3.1.1 TRACK II

A second level of work and discussions has been in effect within ASEAN in the form of TRACK II organisations composed of mostly of academics, think tanks and scholars, media, business people and government officials in their private capacity. Most of the works of track II officials are on foreign affairs policies, regional peace and security issues and the promotion of confidence building measures. One of the initiatives of Track II related to civil society is ASEAN People's Assembly, which is described further below.

3.1.2 Eminent Persons Group (EPG)

The ASEAN Eminent Persons Group (EPG) is a group of prominent citizens from the member countries, tasked to create the charter of the ASEAN community. The group was formed on December 12, 2005, through the 11th ASEAN Summit Declaration in Kuala Lumpur, Malaysia. The mandate of the group was to examine and review the ASEAN structure, areas of cooperation, principles and goals contained in agreements, treaties and declarations over the last 38 years; and to provide the ASEAN leaders with policy guidelines on the drafting of the ASEAN charter. Future research could explore the possibility of the EPG as a venue for CSO contributions and inputs, if it is still functional.

3.1.3 ASEAN Engagements with Civil Society

In 2000, ASEAN had initiated a limited engagement with civil society organizations, in the form of the annual ASEAN People's Assembly (APA). Initially conceived and promoted in the early 1990s, the APA was meant to allow CSOs to participate in the work of ASEAN. After the idea for APA had received the approval at both Track One and Track Two levels, the 1st ASEAN People's Assembly (APA1) was organized by institutes affiliated with ASEAN. During the 4th Informal ASEAN Summit held in November 2000 in Singapore, about 300 CSO/NGO representatives participated in this inaugural ASEAN meeting of civil society groups. APA1 was organized on the basis that community building in ASEAN must include all sectors of society. The first Assembly was, therefore, perceived as the starting point for ASEAN to increase its transparency and relevance to the citizens of the region.

The APA was an annual assembly convened by the Track II members of the Institutes of Strategic and International Studies (ISIS) network from 2000 to 2007. The ISIS through the APA, envisioned their role of bridging civil society/Track III on the one hand, with ASEAN and its member governments/Track I on the other. The annual APA process brought together delegates from these three sectors (governments, academe, civil society) from the ten member countries of ASEAN, dialoguing on a range of issues such as human rights, peace, Burma, agriculture, labor, migration, among others (Lopa, 2012). However, the growing discontent among CSOs

in APA processes led to APA's hiatus in later years. Apart from ASEAN-ISIS led activities, such as the now defunct APA, it must also be noted that the Working Group on ASEAN Human Rights Mechanism was established to forward the cause of human rights protection and promotion in the region. Some of the issues to deal with may include determining the level at which NGOs/CSOs may be more effective in engaging the ASEAN? An in-depth future study needs to address how ASEAN fundamentally perceive its engagements with the civil society.

3.2 Parallel Meetings, Regional Working Groups and Other Initiatives by Civil Society Organizations for Engaging the ASEAN

The ASEAN Civil Society Conference (ACSC), also known as the ASEAN Peoples' Forum (APF), is held independently by the ASEAN Chair country in advance of, and parallel to, the official ASEAN Summit, which is attended by ASEAN and regional leaders. The first ACSC/APF took place in Malaysia in 2005, upon the initiative of Malaysia, which served as head of the ASEAN Standing Committee.. Since then it has taken place in the Philippines (2006), Singapore (2007), Thailand (2009), Vietnam (2010), Indonesia (2011), Cambodia (2012), Brunei (2013) and this year in Myanmar (2014). The 10th ACSC/APF took place on 21 – 23 March 2014 at the Myanmar Convention Center in Yangon, Myanmar. The ACSC became an alternative to the APA.

It was also during the chairmanship of Malaysia that the Kuala Lumpur Declaration on the ASEAN Charter was adopted, with an encouragement of CSOs in the region to participate in crafting the regional grouping's Constitution. The Solidarity for Southeast Asian Peoples' Advocacies (SAPA) was then established in 2006. SAPA is a network of CSOs, trade unions, and grassroots organizations led by Focus on the Global South, the Asian Forum for Human Rights and Development (FORUM- ASIA), South East Asian Committee for Advocacy (SEACA), Third World Network (TWN), and the Asian Partnership for the Development of Human Resources in Rural Asia (AsiaDHRRA). It is "an open platform for consultation, cooperation, and coordination between ASEAN social movements and civil society organizations including NGOs, people's organizations, and trade unions that are engaged in action, advocacy, and lobbying at the level of intergovernmental processes and organizations" (Rillorta 2007, p.15). Other mechanisms on the part of CSOs to engage the ASEAN include SAPA's various working groups and task forces, along with other regional groups working on thematic issues, such as human rights, labor and migrants, trade, extractive industries, environment/climate change/ climate justice, gender and child rights, indigenous peoples, disabled people, freedom of information, and others.

Outside SAPA and the ACSC/APF, other civil society organizations-initiated engagements with the ASEAN are the South East Asia People's Center (SEAPC), a regional center which conducts briefing on various themes (such as human rights, the issue in Burma, trade, agriculture and rural development, peace and conflict, extractive industries) for the ASEAN Committee for Permanent Representatives, the ASEAN diplomatic community, and the ASEAN Secretariat (Lopa, 2012). Other CSO initiatives include secondments, such as Oxfam International's staff secondment to the ASEAN Secretariat for Disaster Management and Preparedness,

4. Summary of Issues, Agenda, and Institutions to Engage at ASEAN on Land Rights and Issues

The fundamental issues with regard to ASEAN's perspectives and views on land, food security and rural development in general that need to be clarified with ASEAN are the following:

4.1 Respect for property rights as fundamental recognition of human rights

Human rights and fundamental freedoms should include right to own property, such as land. Are land rights considered a fundamental right by ASEAN?

A declaration or statement safeguarding the rights of landless or "land-poor" farmers needs to be formulated at ASEAN.

4.2 Rural development, poverty reduction and social justice: how ensured?

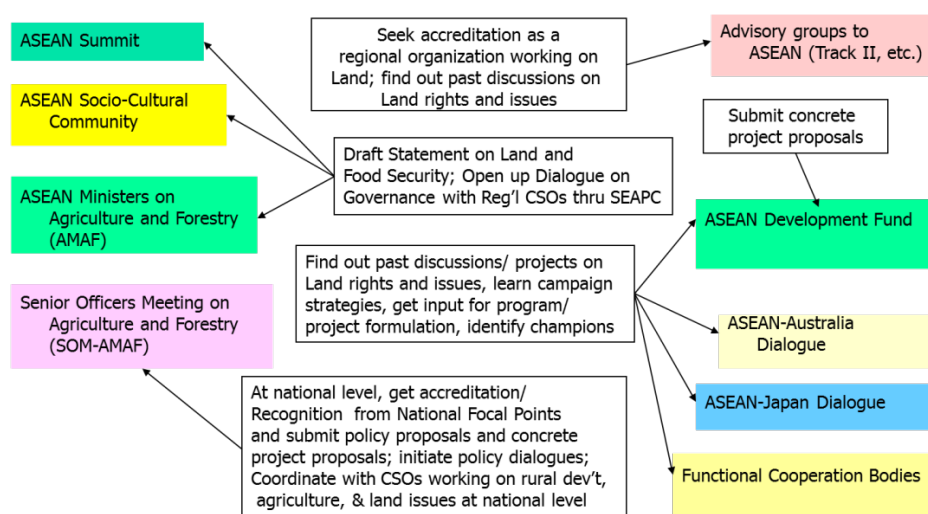
Although ASEAN has produced a document on the Ministerial Understanding on ASEAN Cooperation in Rural Development and Poverty Eradication, there is no explicit definition for Rural Development (RD) and Poverty Eradication (PE). The concept of social justice, though espoused in the Ministerial Understanding, is also not defined in detail. At the same time, there is no official documentation on whether RD and PE efforts by ASEAN have been effective. Thus, there is need to closely monitor the status of implementation of the Plans of Actions on RD and PE and assess ASEAN's capacity to monitor such Plans.

4.3 Food security as fundamental to poverty eradication: can farmers be ever secure themselves?

Food security is recognized by the ASEAN Ministers; however, landless farmers and their rights to land do not seem to be explicitly recognized in the Ministerial Understanding on ASEAN Cooperation in Rural Development and Poverty Eradication. Thus, an advocacy for their rights should all the more be pursued with ASEAN. At the same time, there is also need to strengthen information and database management in the region. For instance, operationally, what is the source of database for food security in the region? More fundamentally, the dominant economic growth framework surrounding ASEAN's concepts of Energy, Environment, Climate Change and Sustainable Development at the ASEAN needs to be challenged in order to ensure safeguards for marginalized groups such as the landless poor and the food insecure groups in the Region.

4.5 Key Structures / Focal Points to Engage at ASEAN and Proposed Practical Steps and Talking Points at ASEAN for an Advocacy on Land Issues and Food Security

The diagram below (Figure 2) shows the convergence of the practical activities to be undertaken with each key focal point at the ASEAN for a regional advocacy on land rights and issues to be led by an academic regional alliance of public administration and governance scholars in collaboration of a regional community of practitioners.



Source: Adapted from the diagram constructed by F.L. Diola for ANGOC's Scoping Study on Land Rights and ASEAN. June 2008

Figure 2. Activities that may be Pursued with Each Focal Point at ASEAN

Way forward: Harnessing CPA for Food Security and Land Issues

The discussion above, especially the relevance of Comparative Public Administration and Development Administration to our community of scholars and community of practitioners, points to the importance of forming an alliance of researchers in ASEAN to do the following:

1. Agree on priority development issues to study in the Region.
2. Agree on possible country framework and indicators to study the priority development issues in the context of public administration and related disciplines.
3. Agree to conduct a Regional Conference in the future to present country studies on idiosyncratic features of public administration and governance of programs and projects pertaining to identified development issues, which can be the bases for a comparative public administration study towards theory-building and policy recommendations or possible intergovernmental treaties in the Southeast Asian Region.

Summary

In this paper, Development Administration and Comparative Public Administration (CPA) are revisited and their relevance in the light of impinging development issues beyond national boundaries faced by societies are elucidated in this paper. DA and CPA are essential when analyzing development issues beyond national borders and how public administration systems will respond to such issues as land and food insecurity. As recognized earlier, the primary objective of development administration is to strengthen the administrative machinery which would bring about socio-economic development. The case study presented in the paper illustrates how a regional framework may help establish connectivity among civil society groups including academic think tanks in the region for engaging the ASEAN to improve governance on land and food security programs or projects and how agendas for engaging national focal points may be shaped.

Through regional connectivity among academic think tanks, other civil society organizations with active engagement with ASEAN and the general public, generalizations may be made regarding organization and management theories spanning different boundaries, using land and food security as development context in the Southeast Asian region. Other priority development issues may however be identified as contexts for future researches.

Following the essence of Comparative Public Administration and to advance this subfield, the aim of these future researches is to get a good grounding on national system and other life forms' idiosyncrasies (based on Clegg and Gray's configuration of postmodernism in organization and management theory) to discover the dynamics and mental models of collaborating for action on the key development issues mentioned here. Some generalizations or emerging theories may thus generally point to connectivity and collaboration, perhaps in the areas of institutional arrangements, information and exchange mechanisms, and rules of engagement. Hence, we are resolved that one of the main objectives of the school of comparative public administration is to build a theory of 'public administration for development', which can be pursued through an analysis or through propositions about organization and management or administration of public agencies of different nations using different development contexts.

In future studies we want to see how Chandler and Plano's motivations for CPA can be adopted in the field as we pursue action-oriented researches. The motivations mentioned by these scholars are especially on the search for theory; the urge for practical application; the incidental contribution of the broader field of comparative politics; enthusiasts and practitioners of administrative law; and the comparative analysis of ongoing problems of public administration.

Again, since the scope of CPA is quite vast, spanning across different levels of institutions, a "helicopter view" should be taken pointing to the imperative for both national and international institutions to be strengthened. In line with this, as suggested by Sapru in his *Development Administration* book, new modalities can be forged for concerted action to improve public administration for development -- at both the theoretical and practical dimensions. We wish to abide by Sapru's exhortation that it will be quite useful to establish a network of these institutions to enable flow of information and provide opportunities for collaboration on projects. As enunciated early on in this paper, this in a nutshell is the idea of connectivity among civil society organizations in general, a potent sector in governance of development.

As support organization and management infrastructure, a sound management information system (MIS) should be part of capacity building and strengthening of organizational networks as they carry out development work. Connectivity through MIS will be very significant in studies on collaborative governance especially among countries in regional blocs such as the Association of Southeast Asian Nations (ASEAN).

At the pragmatic level, the purpose of CPA is to elucidate learnings and best practices from experiences in several countries regarding a development issue. We envision that such learnings will also aid legislation and serve as bases for treaties and agreements. At the theoretic level, we aim to contribute fundamentally to the formation of a 'science' (body of knowledge) of administration from which to draw ideas for ways of doing things. The crux of this 'science' is to initially come up with a common framework for analyzing a particular development by which scholars can come to understand and connect with each other both in theory and practice.

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Climbing the Hill toward Political Equality: Data and Stories from the Philippines and Beyond

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Abstract

We are getting closer to, political gender equality, thanks to international commitments and state policies. But how near are we to the top of that hill? The paper will examine the issues and constraints of women getting into political office, in selected Asian countries, and the Philippines.

Keywords: Gender Equality / Asian Countries

Women's Political Empowerment

The United Nation's First International Conference on Women in Mexico City in 1975 paved the way for the emergence of women from their quiet places in the private sphere ; formal recognition of their essential role in society, nay, in the economy, have led to the slow but upward progress of women's status in many parts of the world. The Nairobi Conference in 1985 led to the formation of *Forward Looking Strategies* to further strengthen the women's cause, leading to consideration of the need to include them in decisions affecting their lives, in the planning and implementation of programs. In those steps, it had been determined that their welfare as citizens can best be considered if they participated in larger numbers in the actual positions of decision making; that is, if they have more equal representation in policy making bodies as executives and legislators, in bureaucracies and business as decision makers and implementing officers.

In the Beijing Conference in 1995, where progress from previous conferences were reviewed, it was deemed most important that more proportional political representation of women in the public sphere be attained. Assessing the disparate experiences in women's political participation, part of the discussions for the *Beijing Platform for Action* considered "gender balance" or 50-50 representation of women in the political arena (Women's Environment and Development Organization). The document thereby legitimized gender quotas, as affirmative action mechanism to get women into politics and policy making. Thus, it means that political parties should field a proportionate number of women in elections; that decision making bodies should strive for at least 30% representation of women. Josefa Francisco (ISIS, 2005)) wrote that 189 countries represented in Beijing pledged "to promote the equality of women in decision making and " to strengthen national mechanisms for enabling women's co-governance with men".

From the UN initiative, support from other international organizations became more buoyant in the area of gender political equality, and funds have been funneled for increasing the resources available to women in different countries. Many states had been encouraged to sign covenants to pursue the overall objective of gender empowerment.

Country Initiatives

As noted by the Beijing Conference delegates, education by itself cannot redress, and the so-called incremental track cannot address the small proportion of female policy makers in most countries. The only way by which the balance can be achieved is to fast track the efforts through political initiatives like quotas. In her assessment of the representation of women in national legislatures, Dahalrup (ISIS, 2006) noted that 50 countries have instituted quotas through their constitutions, law or through political parties. Sixteen countries have in fact more than 30% participation of women in legislatures. Among these are the usual Nordic countries which have long had high proportions of women in the legislatures; surprisingly, at the top of the list is Rwanda in Africa, with 48.8 % women. It is useful to note that most of the 16 countries in the list had political party quotas. Among the countries now with high participation rates are Pakistan, Jordan, and Uganda, with reserved seats for women. At the local government level, quotas for women work well in Bangladesh, Pakistan, and India, where there is as much as 80% participation in *panchayats* (villages). Several ASEAN countries have 20% representation of women in legislatures; this is a good enough ratio, because even the United States of America, where feminism has been long accepted, achieved, only 25% proportion of women Senators during the last elections.

However, there is not much data to support their active participation. But as the UNDP asserted in its Asia Pacific Report (2010) that even “where quota exist for elective representation it seems this does not translate into women being elected to leadership positions”. (UNDP, 2010, p.10) Moreover, the Report also cautioned that in some rural areas, the male influence in the local Councils is felt through the physical presence of husbands in the Councils, or the effect of their private tutelage outside. As Francisco (ISIS, p.44) cautions, “Politics and government are not just guts, states and elections”. These encompass broader questions like voice, identities, parity, justice, and social change.” The UNDP further observed: “Women’s actual participation may be curtailed by kinship and/or income considerations.” These can best be illustrated in the case of the Philippines.

The Filipino Woman in Politics

The Philippines boasts of two former women Presidents, both having succeeded their deposed male predecessors through what is called “people power”. In 1986, after millions of Filipinos marched in the streets and stood guard for days in EDSA (Epifanio de los Santos Avenue) in defiance of the Marcos Regime, Corazon (Cory) Aquino, wife of the Senator imprisoned by Marcos and was later killed upon his return from a fellowship at Harvard, became President. Again, in 2001 when the same thing happened in the same place and President Joseph Estrada was deposed, Gloria Macapagal Arroyo, his Vice-President, rose to power.

The two Presidents were so different in executive styles, as chronicled by Mark Thompson whose then unpublished paper I read, and then updated by me in also an unpublished paper, but they have similarities. Cory was the widow of a politician/martyr; Gloria is daughter of a former Philippine President. Cory never held office before, but brought back democracy to the Philippines after Marcos’ dictatorship was dismantled. Gloria was a strong woman President, who mostly got what she wanted. Cory died as a well-loved heroine, such that when she died, there was a clamor for her son to run for office, and he won in 2010 as President. Gloria, who has been ill, is now in hospital arrest for corruption and allegedly “rigging the 2007 elections”.

Before the Gloria phenomenon, I considered the Cory magic in a smaller light, in a paper I wrote where, citing precedents, I called the Cory ascendancy as a “politics of widows” (Solidarity, 1994, p.55). It was based on the documented experiences of some women taking up the causes undertaken by their husbands, like Gabriela Silang who took the leadership of the Ilocos rebellion after her husband was killed by the Spaniards, and Magnolia Wellborn Antonino, who ran for Senator in place of her husband who died during the campaign, and won. However, more recent events have made me realize that there is more to mere widowhood that comes with election victory.

Before Cory and Gloria, there was the famous Imelda. As First Lady, she gained much power as builder of edifices and showcasing huge extravaganzas. And then, by the stroke of Marco’s pen, she became Governor of the newly created Metro Manila Commission and Minister of Human Settlements. As Minister, she automatically became a member of the National Assembly. Imelda is now Congresswoman in a district in her husband’s province of Ilocos Norte; her own relatives rule their province of Leyte. And by the way, her daughter is Governor of Ilocos Norte, and her son is a Senator of the Philippines.

Before the political dynasty validations, there have been observations about “kinship politics” in the Philippines, of a more indirect kind, akin to the influence of Imelda Marcos as First Lady. Mina Rocas, as early as 2003, called the Marcos years “the zenith of women’s unofficial power” (Edwards and Rocas, 2003, 115.) She chronicled this further in her book on the Lopez family. What is more interesting is her early expectation “of the increasing number of politicians’ wives who (will) become politicians themselves”... because of “the perpetual adjustment of kinship politics to the 1986 Constitution” (117).

For indeed, the 1986 Constitution, framed after Cory’s ascendancy into office by a Constitutional Commission representing different groups in Philippine society, put a limit to terms in elective offices precisely to prevent dynasticism. In the old system, family dynasties ruled local governments and held national office for seemingly unlimited periods. Usually the posts went from one generation to another. With the new term limits, the dynastic reach seems to have expanded. It started with the advent of “breakers”, where the wife or son or daughter took over after the maximum term of the patriarch ended (three terms of three years for Congressmen and local officials, two terms of six years for the Senators), after which, the patriarch returned. The new system at work is that the breaker stayed on or moved to another post within the area of influence, and the family members then occupy more political offices.

Let us cite the case of the Philippine Senate with 24 members. There are five women of 24 members, a fairly good ratio. But when we look at the backgrounds of the women Senators, we see that there are two siblings, one man and one woman (the Cayetanos), then there is Nancy Binay, daughter of the Vice-President; she has one sister in Congress and her brother is Mayor of Makati. These are new dynasties; Senator Cayetano's children entered politics only after he died, and Vice President Binay got into politics only after the 1986 people power revolutions and subsequently put his family in the political limelight. In House of Representatives, Imelda Marcos is Congresswoman and her children are well placed in different electoral offices. (The Romualdezes is an old political family). This is repeated all over the country; for example, in Davao City, Mayor Duterte is back after a hiatus where his daughter Sara became Mayor in his stead. Thus, the desire to minimize, if not prevent dynasticism has led to even more dynasties in politics.

The family name is important, and power once held is kept, or expanded. Gloria Macapagal Arroyo, after decades when her father left office, went into politics with his name in the forefront. She managed to have her two sons in Congress, and got herself elected as Congresswoman in her father's district after she became President (although she did not really sit in Congress as she is in hospital arrest). In the words of former Olongapo Mayor and Senator Richard Gordon, when his wife was elected Olongapo Mayor, "The family name is important; but after that, she has to prove her worth".

Some of the women, fortunately, prove their worth. Senator Pia Cayetano, with the support of Senator Miriam Defensor Santiago, worked hard and successfully to pass the Reproductive Health Law (Republic Act 10354), which had languished in Congress for many years. The women in the Senate then (Senators Loren Legarda and Loi Ejercito) worked for the passage of the Anti-Violence against Women and Their Children Act (Republic Act 9262). Male and female legislators supported each other for other women-focused laws like the Magna Carta for Women (RA 9710) and the Anti-Trafficking in Persons Act (RA 2003) as well as other laws passed earlier. At the local level, women mayors have championed welfare ordinances beyond the old sanitation-beautification campaigns; for instance, Mayor Marides Fernando pushed for male vasectomy as family planning mechanism when she took over as Mayor from her husband. Women mayors started livelihood programs for women and gave priority to women and family health.

Conclusion

This scene, of course is repeated in other countries, in different degrees. We should document more of these cases. We have, for instance, the case of Megawati, the first woman President of Indonesia, Sukarno's daughter, who got elected, and then lost to a man. Burma's heroine, despite her political lineage, was thwarted for a very long time in her efforts by the military dictatorship. Is there an effective formula for putting more women in politics?

But is numbers enough? As observers of gender and politics in Asia said, women's participation should go beyond numbers and more towards a qualitative transformation of women in shaping national and local politics. (Edwards and Roces, Op.Cit.) It has been noted that the number of women in politics can be increased by law or by practices from political parties. It has also been shown that achieving the gender balance is a long-winded uphill climb, but is actually surmountable.

To prod governments to provide more policies to achieve gender balance in law and in substance, the UN called an International Conference in Phitsanulok, Thailand in 2002 of Local Chief Executives and Legislators, where issues of gender, politics and policy were discussed. Other country meetings in ASEAN and elsewhere followed. In the Philippines, the Summit of Local Chief Executives and Legislators was held in 2003, and that conference led to the Manila Declaration, calling for policy support to gender and political concerns. It was followed by training programs for women in local government to provide them tools in the task of gender empowerment through policy making.

IN 2011 the report on *Women and Politics: the Pursuit of Equality* Lynne Fud said that women's politics should foster legal equality and pursue the fairness doctrine. Legal equality has been put into place in many countries through mandated quotas. The fairness doctrine, however, calls for a more conscious stress on welfare and related policies for women. The *World Bank Gender Reports* for 2012 cites many issues affecting women. Among these are achievable ones through policy like reducing gaps in education and health between boys and girls, reducing maternal mortality, as in the UNDP's Millenium Development Goals, and even increasing women's voices and access to justice. While we increase our women's participation in politics, we must widen our view to look at the realities of unfair responses to women's needs. We need collaboration among policy makers, government agencies, and civic society, in efforts to attain such fairness.

Let us help support efforts toward such collaboration, cutting through the dynastic webs through consciousness raising.

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APPENDIX

Summary of Evaluation

**The 3rd international Conference on ASEAN Connectivity:
Current Issues and Future Prospects towards ASEAN Community,
November 17, 2014
College of Politics and Governance, Mahasarakham University**

The 3rd international Conference on ASEAN Connectivity: Current Issues And Future Prospects towards ASEAN Community, On November 17, 2557 at the College of Politics and Governance. Mahasarakham University participants as following: Conference participants had a total of 1913 people, which can be classified into 4 groups .

1. The group of academicians which consists of
 - Keynote Speaker, Guest Speaker = 2
 - Chairs, Discussants = 36
 - Presenters = 42
2. The group of faculty members from Mahasarakham University and other University = 59
3. The group of participants from within and outside University = 1535
4. Staff and student assistants of COPAG = 94

Number and percentage of Personal Information

Table 1 Number and percentage of respondents assessed by Personal Information

Personal Information	number	Percent
1. Gender		
Male	378	28.00
Female	970	72.00
sum	1348	100.00
2. Age		
Under 25 Years old	1243	92.20
26-30 Years old	24	1.80
31-35 Years old	12	0.90
36-40 Years old	30	2.20
41-45 Years old	15	1.10
46-50 Years old	5	0.40
51-55 Years old	12	0.90
61 years	7	0.50
sum	1348	100.00
3. Education		
Bachelor degree	1228	91.10
Master's degree	57	4.20
Doctoral degree	63	4.70
sum	1348	100.00

Table 1 Number and percentage of respondents assessed by Personal Information (cont.)

Personal Information	number	Percent
4. Participant		
keynote Speaker/ Guest Speaker	2	0.14
Deans,Directors	35	2.59
Presenter	42	3.11
Discussants	24	1.78
Chair	12	0.89
Students	1233	91.46
sum	1348	100.00
5. Field of Interest		
Political science	737	54.67
Public Administration	473	35.09
International Relations	111	8.23
Human rights	4	0.30
Local Government	3	0.22
Law	19	1.41
economics	1	0.07
sum	1348	100.00
6. University/Institution Affiliate		
Brawijaya University	4	0.3
Burapha University	1	0.07
Chulalongkorn University	3	0.22
Kanto Gakuin University	1	0.07
Kebangsaan University	1	0.07
Khon Kaen University	1	0.07
Kobe University	1	0.07
Kyoto University	1	0.07
IDE-JETRO	2	0.15
Loei Rajabhat University	1	0.07
Maharakham University	1275	94.58
Manipur University	1	0.07
Mahidol University	3	0.22
Meiji University	1	0.07
National University of Laos	4	0.30
National Institute of Development Administration	2	0.15
Osaka City University	1	0.07
Prince of Songkla University	2	0.15
Royal University of Phnom Penh (RUPP)	1	0.07
Silpakorn University	1	0.07
Sukhothai Thammathirat Open University	1	0.07
Thammasat University	7	0.52
University of Chicago	1	0.07
University of the Philippines	31	2.3
Western University	1	0.07
sum	1348	100.00

Table 1 Number and percentage of respondents assessed by Personal Information (cont.)

Personal Information	number	Percent
7. Country		
Cambodia	4	0.30
Indonesia	4	0.30
India	1	0.07
Japan	9	0.67
Laos	4	0.30
Malaysia	1	0.07
Philippines	31	2.30
Thailand	1294	95.92
Vietnam	1	0.07
Sum	1348	100.00
8. How did you know about this Conference		
Brochure		
Flyer	148	11.00
Conference Web site	303	22.50
Referral	97	7.20
E- mail	684	50.70
Others	17	1.30
	99	7.30
sum	1348	11.00
9. main reason for attending this conference		
Content	263	19.51
Academic development /Personal interest	675	50.07
Academic Networking		
Other	133	9.86
	277	20.54
sum	1348	100.00

Evaluation conference**Table 2 satisfaction in attending the Conferenc of each panel**

Benefits/Value from this conference	Satisfaction levels			
	$\bar{X}$	S.D.	Percentage	Interpretation
1. Keynote Address	4.08	0.69	81.64	good
2. Guest Speaker	4.12	0.63	82.49	good
Oral Presentation 17 August 2013, 13.30 - 15.00 Simultaneous Sessions				
3. Panel 1 ASEAN Connectivity and Japanese Perspective (D-201)	4.05	0.69	81.03	good
4. Panel 2 The Context and Dynamics of Pubic Administration and ASEAN (D-207)	4.08	0.69	81.60	good
5. Panel 3 Migration in ASEAN (D-211)	4.07	0.69	81.31	good
6. Panel 4 The Roles of ASEAN (D-204)	4.09	0.69	81.89	good
7. Panel 5 ASEAN Connectivity : India, Myanmar, Lao PDR and Thailand (D-218)	4.09	0.69	81.86	good
8. Panel 6 Towards One ASEAN Community: Issues, Challenges and Prospects(A) (D-219)	4.14	0.72	82.78	good
sum	4.09	0.70	81.75	good
Oral Presentation 17 August 2013, 15.00 - 16.30 (Simultaneous Sessions)				
9. Panel 1 Human Resource Development in Lao PDR (D-202)	4.12	0.72	82.33	good
10. Panel 2 Towards One ASEAN Community: Issues, Challenges and Prospects (B) (D-206)	4.11	0.70	82.24	good
11. Panel 3 The Challenges and Prospects for ASEAN in a Markedly Different World (D-207)	4.11	0.70	82.16	good
12. Panel 4 Local Heritage Networking for ASEAN Connectivity (D-211)	4.11	0.71	82.29	good
13. Panel 5 Decentralization: Comparative Local Government in ASEAN (D-212)	4.14	0.69	82.82	good
14. Panel 6 Environmental and Disaster Management (D-219)	4.10	0.72	82.00	good
sum	4.12	0.71	82.31	good
sum	4.10	0.70	82.03	good

Satisfaction of overall assessment of the Conference .

Table 3. Satisfaction of overall assessment of the Conference .

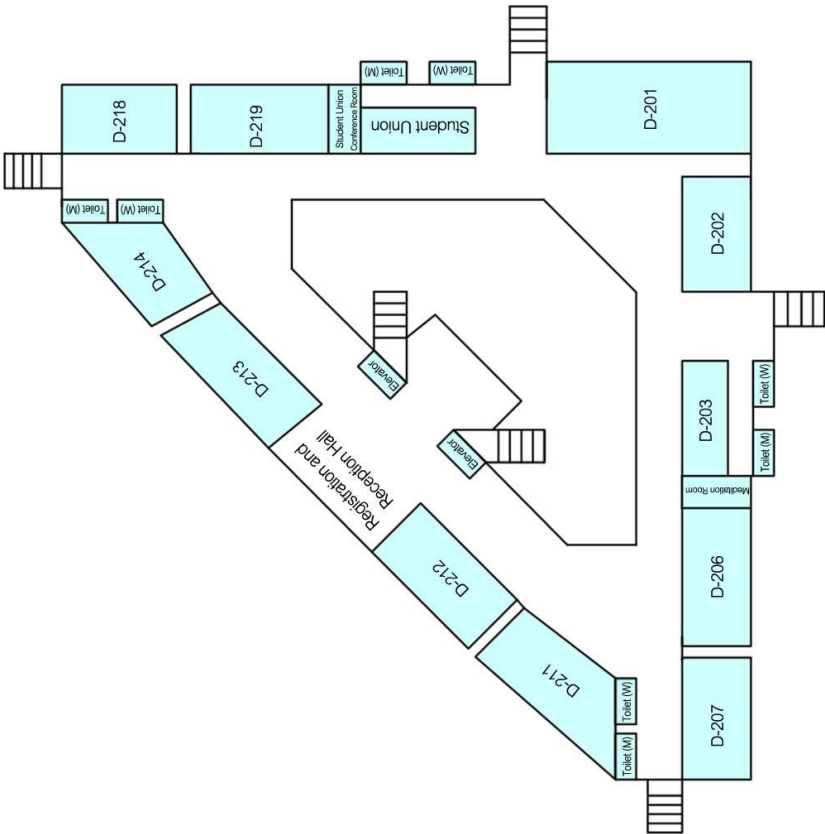
Benefits/Value from this conference	Satisfaction levels			
	$\bar{X}$	S.D.	Percentage	Interpretation
1.Program Schedule	4.03	0.76	80.51	good
2.Reception	4.12	0.74	82.40	good
3.Registration Process	4.05	0.83	80.90	good
4.Public Relations	4.07	0.79	81.32	good
5.Information received/contact Before conference	4.05	0.78	80.98	good
6.Information received/contact During conference	4.02	0.74	80.30	good
7.Handouts	4.16	0.83	83.12	good
8.Audio-visual equipment	4.23	0.81	84.64	good
9.Conference Venue	4.21	0.78	84.25	good
10.Cultural Display of Northeast region	4.20	0.72	83.96	good
11.Overall satisfaction with this conference	4.15	0.70	82.91	good

Suggestion

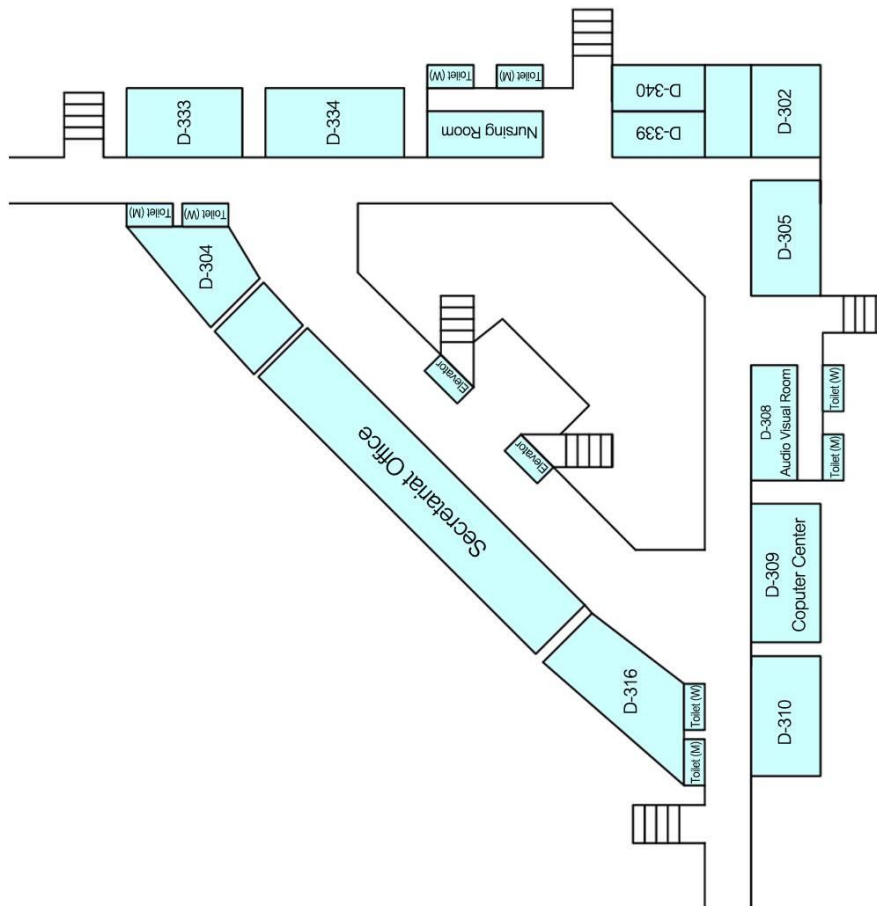
1. Some rooms are too small
- 2.Times in presentation are very short. It should be extended into 2 days
- 3.This kind of conference should be conducted every year to build the networks of academic Interests and academic Institution

FLOOR PLAN

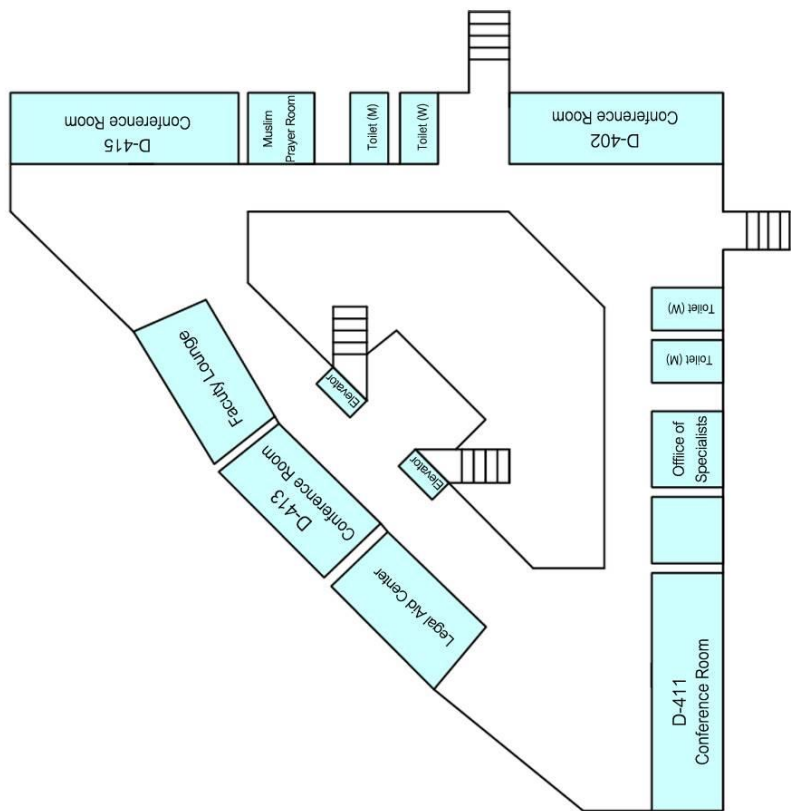
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CONFERENCE PROGRAM

The 3rd International Conference on ASEAN Connectivity:
Current Issues and Future Prospects towards ASEAN Community,
November 17, 2014

Time	Activities & Venue
Morning Session	
08.30	Depart from Taksila Hotel
09.00 – 09.30	Registration at COPAG Hall (2nd Floor)
09.45 – 10.00	Welcome and Introductory Remarks (Room D415) Prof. Sida Sonsri Dean of COPAG, Chair of the Conference
10.00 – 10.15	Opening Remarks (Room D415) Prof. Dr. Supachai Samappito President of Mahasarakham University
10.15 – 11.15	Keynote Speech (Room D415) H.E. Pradap Pibulsonggram ASEAN Connectivity Moderator : Matthew Forrest Taylor Rapporteur : Cherngcharn Chongsomchai, Assist. Prof. Viralbajra Prasertsak
11.15 – 12.15	Guest Speech (Room D415) Prof. Dr. Likhit Dhiravegin Education for Human and Societal Progress Moderator : Chitralada Chaiya Rapporteur : Chalermkiat Paraweche
12.15 – 13.00	LUNCH (MSU Faculty Lounge) For Guests
Afternoon Session	
Simultaneous Sessions	
13.30 – 15.00	2 nd Floor Room D-201, D-207, D-211, D-214, D-218 D-219
Simultaneous Sessions	
15.00 – 16.30	2 nd Floor Room D-202, D-206, D-207, D-211, D-212 D-219
16.30 – 17.30	Closing Remarks (Room D415) Moderator : Matthew Forrest Taylor
17.30	Farewell Dinner (MSU Faculty Lounge)

Oral Presentation 17 November 2014, 13.30 - 15.00 (Simultaneous Sessions)					
Room	Sub-Theme	Presenter	Title	Chairperson	Discussant
D-201	ASEAN Connectivity and Japanese Perspective	Saya Kiba	Japan's Defence Cooperation to ASEAN and Issues of Civil-Military Engagement	Dr. Wasan Luangprapat, Assit. Prof. Thammasat University	Dr. Subunn Ieamvijiam, Assoc. Prof.
		Koji Kubo	Myanmar' Diverted Export Sales to Singapore: Outlook in the Eve of ASEAN Economic Community		Dr. Alongkorn Akkasaeng (COPAG)
		Naomi Hatsukano	Cambodia and its Economic Cooperation with Mekong Countries, ASEAN and Japan: For Narrowing the Development Gap within ASEAN		
D-207	The Context and Dynamics of Public Administration and ASEAN	Dr. Danilo DLR Reyes, Prof.	Dynamics of Supranational Institutions and Nation-States: Issues and Challenges for the ASEAN Integration	Dr. Danilo DLR Reyes, Prof. NCPAG, UP., Diliman	Dr. Nattakant Akarapongpisak (COPAG)
		Dr. Jocelyn C. Cuaresma, Assoc. Prof.	Public Budgeting in the ASEAN : Policy and Practice		Dr. Buraskorn Torut Mahidol University

Oral Presentation 17 November 2014, 13.30 – 15.00 (Simultaneous Sessions)					
Room	Sub-Theme	Presenter	Title	Chairperson	Discussant
D-211	Migration in ASEAN	Dr. Thanyathip Sripana	ASEAN Connectivity and the Chinese Migration to Vietnam	Dr. Sukanya Aimintham, Assoc. Prof.	Dr. Gamolporn Sonsri, Assist. Prof., Mahidol University
		Sopit Cheevapanich	Facilitating a Labour Migration for a Regional Integration: Case of Thailand		Dr. Natenapha Wailertsak Yabushita Thammasat University
		Lizan E. Perante-Calina	Philippine Response to Curb Human Trafficking of Migrant Workers		
D-214	The Roles of ASEAN	Dr. Samart Thongthua, Assist. Prof.	The Muslim Community in ASEAN Community: Looking from Islamic Perspective	Dr. Rong Chhorng, Extraordinary Chambers in the Court of Cambodia	Dr. Bambang Supriyono, Prof. Brawijaya University Indonesia
		Chhorng Kanika	Cambodia's Roles in ASEAN		
		Damorn Kumtrai	ASEAN under the Challenge of Sovereignty Discourse		Dr. Apiradee Jansaeng, Maharakham University
		Mohammad Nuh	Anti-Corruption and Governance Challenges in Southeast ASIA: Toward the ASEAN Political-Security Community Agenda		

Oral Presentation 17 November 2014, 13.30 - 15.00 (Simultaneous Sessions)					
Room	Sub-Theme	Presenter	Title	Chairperson	Discussant
D-218	ASEAN Connectivity : India, Myanmar, Lao PDR and Thailand	Dr. Langpokrakpam Suraj Singh, Assist. Prof.	India-ASEAN Connectivity and the Northeast India-Myanmar Dimension	Dr. Corrine Phuangkasem, Assoc. Prof.	Surat Horachaikul, Assist. Prof. Chulalongkorn University
		Piyathida Kogpho	Readiness for Special economic zones : A Case Study of Mukdahan province		Manaswee Arjunaka (COPAG)
		Thanyaporn Soontornthum	Facilitating Recipient Ownership and Participation in Project Preparation and Appraisal under South-South Cooperation: NEDA Experiences in Lao PDR		
D-219	Towards One ASEAN Community: Issues, Challenges and Prospects (A)	Eufrazio Primer C. Pagunuran	Changing Political Order in Unchanging Societies: The Argument Against Global Politics	Dr. Somjai Phagaphasvivat, Assoc. Prof.	Dr. Withaya Sucharithanarugse, Assoc. Prof. Chulalongkorn University
		Mary Kris N. Visperas	Collective Action in ASEAN : The Philippines and Thailand's Business Case against Corruption		
		Elizabeth F. Milo	An Evaluation of the Philippine Land-based Transport Facilities in the Context of the ASEAN Integration		Dr. Taninrat Rattanapongpinyo, Silpakorn University
		Gina S. Salazar	ASEAN integration: A Mover in the Sectoral Cultural Governance in the Philippines		

Oral Presentation 17 November 2014, 15.00 - 16.30 (Simultaneous Sessions)				
Room	Sub-Theme	Presenter	Title	Chairperson
D-202	Human Resource Development in Lao PDR	Vilay Langkavong, Head of Political Science Department	Education and human resource development in preparation for the ASEAN Community at the Faculty of Law and Political Science National University of Laos	Dr. Weerachat Soopunyo, Assist. Prof. Chulalongkorn University
				Jeerasak Pokawin, COPAG, Msu
D-206	Towards One ASEAN Community: Issues, Challenges and Prospects (B)	Rose Gay G. Castaneda	Decentralized Local Governance in Asian Region: Good Practices of Mandaluyong City , Philippines	Dr. Bussabong Chaijaenwatana, Assoc. Prof.
		Cynthia Remedios V. de Guia	Institutionalizing Adaptation and Mitigation Initiatives in Agriculture (AMIA) as a National Strategy Towards Food Security	Dr. Kowit Kangsanant, Assoc. Prof. NIDA; NRCT.
		Abigail A. Modino	Financing Universal Healthcare and the ASEAN: Focus on the Philippine Sin Tax Law	Dr. Piyaphong Bussabong, COPAG, Msu

Oral Presentation 17 November 2014, 15.00 – 16.30 (Simultaneous Sessions)					
Room	Sub-Theme	Presenter	Title	Chairperson	Discussant
D-207	The Challenges and Prospects for ASEAN in a Markedly Different World	Dr. Maria Fe V. Mendoza, Prof. & Dean	Private Sector Engagement in Climate Change Mitigation and Adaptation in the Philippines and Other Countries: Implications in an Integrated ASEAN	Dr. Maria Fe V. Mendoza, Prof. & Dean U.P., NCPAG	Dr. Theera Nuchpiam, Assoc. Prof.
		Dr. Maria Faina L. Diola, Assist. Prof.	Enlarging A Democratic Space for Land Rights and Food Security Advocacy in the ASEAN		Dr. Thepparat Phimolsathien, KMITL.
		Dr. Proserpina D. Tapales, Prof. & Former Dean	Climbing the Hill Toward Political Equality: Data and Stories from the Philippines and Beyond		
D-211	Local Heritage Networking for ASEAN Connectivity	Salvacion Manuel-Arlante, Prof.	Local Heritage Networking for ASEAN Connectivity	Dr. Sujin Budisuwan, Assoc. Prof., Mahasarakham University	Dr. Jaran Maluleem, Prof., Thammasat University
					Khajornsak Sithi, Sukhothai Thammathirat Open University
D-212	Decentralization : Comparative Local Government in ASEAN	Fumio Nagai, Prof. Former Dean Kazuhiro Kagoya, Prof.	What Connectivity Matters in Enhancing Thai Local Governance? Empirical Evaluation of Thai Local Government Survey in 2006	Dr. Supasawad Chardchawan, Assoc. Prof. Thammasat University	Dr. Achakorn Wongpreedee, Assoc. Prof. Graduate School of Public Administration, NIDA
		Kenichi Nishimura, Assoc. Prof. Jun Kobayashi, Prof. Masao Kikuchi, Assoc. Prof.	Do Mayors' Orientations affect Performances?: Empirical Evidence from a Local Government Survey in the Philippines		
		Dr. Wahyu Prasetyawan Dr. Masaaki Okamoto	Evaluating Local Governance in Indonesia An Initial assessment in Java		Dr. Orathai Kokpol, Assoc. Prof. Thammasat University

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		Dr. Somporn Khunwishit	The Effects of Natural Disasters on Critical Infrastructure: Implications for ASEAN Connectivity	
		Dr. Wanida Phromlath Luong Quang Hung	FLEGT Implementation- the possibility for Thailand	Dr. Tavida Kamolvej, Assist. Prof. Thammasat University
		Kalaya Yotcamlue Surapong Punchago	The Waste Management Situations of People in Tourism Area: A case study of Thailand Lao People's Democratic Republic and People's Republic of China	
				Dr. Mastura Mahmud, Prof. Universiti Kebangsaan Malaysia

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