

RSOG Seminar

ASEAN Community – The Role of Public Accountability

with

Dr. Harry Azhar Azis

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Speakers : Dr. Harry Azhar Azis

About The Seminar

Starting from 2015, ASEAN will enter the era of ASEAN Community; carrying out the vision of ASEAN as a unified body of Southeast Asian nations living in peace, stability and prosperity, bonded together in partnership for dynamic development, and as a community of caring societies. The implementation, amongst others, is to establish the four pillars ASEAN Economic Community namely the Single Market and Production Base; Competitive Economic Region; Equitable Economic Development and; Integration into the Global Economy. All these pillars should be upheld to ensure ASEAN Community's welfare. The assurance function is expected to play a greater role in the near future to ensure accountability and transparency in all public initiatives and programmes.

Summary

On 8 August 1967, five gentlemen signed the well-known ASEAN Declaration in Bangkok. One of them was Abdul Razak Hussein whom the Razak School of Government is named after. Without doubt, ASEAN have grown by leaps and bounds since the famous declaration. ASEAN is now an influential 10 member countries grouping with a combined population and Gross Domestic Product (GDP) of approximately 617 million, and USD2.3 trillion respectively.

ASEAN is expected to reach another important milestone this year with the implementation of the ASEAN Community. The Community is premised on four pillars

of cooperation namely the Single Market and Production Base, Competitive Economic Region, Equitable Economic Development, and Integration into the Global Economy. Amongst others the pillars are aimed at reducing the development gap among the member states, promoting equitable and sustainable economic growth, and enhancing connectivity to establish a highly integrated ASEAN.

Based on the most recent publicly available information, the targets achieved for most of the identified pillars are fairly lagging and need to be accelerated. From the public accountability perspective, several issues need serious attention should the ASEAN member countries wish to see the ASEAN Community a reality.

Firstly, there is lack of information on the readiness of the member states. Though ASEAN have the AEC Scorecard to keep track the progress of the member states, the scorecard is largely self-reported without any opportunity for third-party verification or evaluation. As such, the progress of the implementation may not be reflected accurately by the scorecard.

Second, ASEAN is observed to have a glaring disparity issue. There is a huge gap between the member states in terms of economic level. Such gap is often linked to the level playing field between the domestic and external players as the market opens up or are regularised.

Third, the issue on participation and openness of the implementation process. For instance, the ASEAN Economic Community Council acknowledged that there are differing levels of understanding and awareness of the ASEAN Community between the government, business sector, and public at large. That partly explains on why Malaysia as the Chairman of ASEAN 2015 professed the idea of "Towards a People Centred ASEAN".

Lack of transparency and public accountability on public programmes relating to the ASEAN Community would not only waste public resources but can erode the trust and confidence of the people on ASEAN. Indeed, good governance, transparency, and public accountability is the hallmark of a democratic system that it is cherished by people of all walk of life across the continents at the moment. Evidently, tension or cracks, even in an established regional grouping such the European Union, often relates to the lack of transparency and accountability.

Dr. Harry Azhar Azis, through his experience in leading a Supreme Audit Institution as well as his involvement in regional grouping such as the ASEANSAI, strongly believe that the Supreme Audit Institution of each member country can make difference to the livelihood of the people in the ASEAN Community. This can be done by strengthening accountability and transparency of public sector entities, demonstrating ongoing relevance to the stakeholders, and more importantly being a model organisation through leading by example.

Issues Raised

- The most common argument about integration is about giving up *sovereignty*. Perhaps with more room for *flexibility*, the deeper the integration would be.
- As the target for the implementation of the ASEAN Community is fast approaching, member countries would scramble to meet targets. The assurance function, which is often played by the Supreme Audit Institution, is expected to be more proactive in safeguarding transparency and ensuring public accountability is not sacrificed.
- Concern about *level playing field* is often raised by the business communities in the respective member states. Having said so, there is also counter argument that the opening up of market could benefit consumers in terms of more choices and potentially lower prices as a result of competition. It is important that early exposure to the arts is part of the education system in order to instil a value system in children from a young age.
- Unlike ASEAN, the European Union is formed with a different motivation in mind. The latter was formed to ensure that the member states are integrated and depend on each other more than in the past. Such spirit could help to prevent another war in the continent.
- Whilst it is ideal for ASEAN to emulate the European Union in setting up steering or oversight infrastructure such the Central Bank, and Parliament, it is no guarantee that it could eliminate integration issues. Giving up *sovereignty* is always a challenge, even in a matured regional grouping like the European Union.
- There was also suggestion to emulate the United Nations when come to decision making power in the regional grouping, such as the more a member country donate, the more say they have. However, the counter argument to

this is that such practice would certainly be a departure of a democracy that cherishes the spirit of equity.

About the Speaker

Dr. Harry Azhar Azis is the Chairman of the Audit Board of the Republic of Indonesia, a leading institution to oversight the state management of more than two thousand public institutions in Indonesia. He was a prominent parliament member (2004-2014) such as Chairman of budget commission as well as Vice Chairman of the finance and economics commission. His education background was Master Degree in Public Economic Policy, University of Oregon, USA, (1990) and Doctoral Degree in Economics of the Oklahoma State University in Stillwater, Oklahoma, USA (2000). Working as an economist in USAID in Jakarta (2002-2003), he was also reviewer at Journal of Asian Business, University of Michigan, USA (1995-2003).

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