Aide Memoire

Regional Forum on Reinventing Government in East and Southeast Asia:
Public Sector Capacity and Globalization

21 – 23 August 2004, Penang, Malaysia

Sponsorship and Purpose

The Regional Forum on Reinventing Government in East and Southeast Asia will be organized by the United Nations Department of Economic and Social Affairs and United Nations Development Programme in partnership with Universiti Sains Malaysia, to be held from 21 - 23 August 2004 in Penang, Malaysia. The purpose of the Forum is to discuss good practices and innovative approaches in reinventing government and strengthening public sector capacity to further the agenda of the countries with respect to globalization and Millennium Development Goals.

Background and Context

The major challenge facing developing countries in the new millennium is the achievement of their development goals in an environment of globalization. The capacity of the state to meet this challenge has accordingly become a focus of renewed urgency and concern.

The quest for development – defined broadly as maximum well being for the maximum number of citizens – has not substantially changed over the years. Only formulations of specific goals have been continually updated to take account of new needs and problems. The 2000 UN Millennium Declaration has powerfully crystallized and highlighted eight basic Millennium Development Goals. Developing countries obviously vary in the extent to which they have already achieved these goals -- and have moved on to other goals. The prioritization and programming of efforts to achieve these goals will necessarily also differ from country to country.

Developing countries increasingly have to pursue their development goals in a changed and changing context of globalization -- that is to say, in a context of greater, faster and freer communications and movement of goods, people and ideas that are both enabled and driven by advances in technology. Such a context, it is generally understood, provides new challenges as well as opportunities, although the exact nature of these challenges and opportunities inevitably also differs from country to country.

Contrary to initial speculations that globalization would diminish the role of the state, it is now widely recognized that the changes brought about by globalization have increased
the importance of the state’s role in national development. It has also made the state’s role more difficult and challenging. Besides other requirements, viable national development has now to be appropriately aligned with, and continually adapted to, the rapid and momentous environmental changes. This requires the governments of developing countries to develop the strategic capacity needed to play its guidance role effectively so as to weather the challenges and exploit opportunities that globalization provides. Because the pace and shape of globalization are themselves subject to influence and negotiation among states, and developing countries also need to develop the capacity to enable them to play an effective role in enacting the global environment.

To ensure the success of their development strategy, developing countries need to develop or enhance their capacity to formulate and implement policies in various sectors to increase their national competitiveness in the global context. Globalization is also likely to make more urgent the traditional imperatives of ensuring more equitable development, providing a safety net for those adversely affected by the process of adjustment, and improving public services for their own citizens.

The capability of the state to ensure more equitable development – specifically to adapt its political and administrative structures to enhance access, responsiveness and benefits for the poor and disadvantaged sections in society – remains a continuing need and concern. The challenges of globalization and their implications for state capacity only further exacerbate this concern. A central issue, then, is how to develop the state capacity needed for achieving development goals in an environment of globalization. Developing this capacity may require government to be reformed or reinvented in significant aspects.

Accompanying the above changed understanding of the role and capabilities of the state needed for achieving development goals are new ideas on how state capacity can be enhanced – that is to say, additional to those of the so-called traditional model of public administration and its improvement. The New Public Management has in recent decades succeeded in placing on the agenda new issues of rightsizing the public sector, privatization and effective cooperation between the public and other sectors. Even more significant is the widely acknowledged need to broaden the traditional model of government to one of societal governance. This requires the establishment of more collective and inclusive modes of decision-making and partnership with non-state actors like the private sector and civil society organizations. The governance model is widely seen as more in line with, and necessary for meeting the changing values and demands of society as well as the requirements of timely and effective policy-making in the more dynamic global environment.

The ideas of the New Public Management and the governance model have significantly widened the menu of choices or options available to developing as well as developed countries. However, these reform options generally share a common feature: they do not so much reduce as transform the role and responsibilities of the state: they require the state to develop new capabilities for managing new forms of interaction with non-state participants in the development and governance process.
Objectives of the Forum

The objective of the Forum in East and Southeast Asia is to assist governments to strengthen their public sector and governance capacities to achieve their development goals, including the Millennium Development Goals, and to take greater advantage of the potential of globalization. This entails, first of all, an assessment of ongoing reform efforts and practices within the various countries in the region, with a view to analyzing best practices and innovative approaches and learning from past efforts in furthering their development agenda. Among the areas to examine in this context are public sector capacity to manage globalization, facilitate citizen access to services, utilize information and communication technologies, and promote public participation and accountability. Specific objectives of the Forum are to:

- review best practices and innovative approaches in the selected countries dealing with public sector capacity to cope with and benefit from globalization and to achieve Millennium Development Goals;
- examine critical factors accounting for success or failure of programme to reinvent government;
- provide a venue for a network of universities and training and research institutions and representatives of the government to share their respective experiences; and
- identify areas of common concern and a framework for regional and national cooperation in East and Southeast Asia.

Thematic Focus and Studies

The United Nations will commission scholars and academics from eleven selected East and Southeast Asian countries to study their respective countries. The countries are Cambodia, China, Indonesia, Lao PDR, Malaysia, Mongolia, Philippines, the Republic of Korea, Singapore, Thailand and Viet Nam. The Country Studies are generally expected to cover the larger theme of Reinventing Government focused on enhancing public sector capacity.

Each of the Country papers will, first, describe the impact of globalization on social groups, economic sectors, trade patterns etc. and, second, examine in further detail two or more of the following four themes:

- **Developing state capacity for strategic assessment, policy analysis, and adjustment and international negotiation;**
- **Improving the quality of and access to public services;**
- **Promoting E-government;**
- **Enhancing participation and accountability.**
Terms of reference for country case studies are enclosed. The focus and emphasis will necessarily differ according to the priorities and conditions in each country.

The 30 - 35 page Country Studies will be presented and discussed in a regional forum on reinventing government to be held in Penang, Malaysia from 21 – 23 August 2004. As background document, the book on Reinventing Government: State Capacity in a Globalizing Society (prepared for the Fifth Global Forum on Reinventing Government) will be provided to each of the participant.

Conclusions and recommendations of the Regional Forum in East and Southeast Asia will be presented to the Sixth Global Forum on Reinventing Government to be organized by the Government of the Republic of Korea in May 2005. The Global Forum, held every two years, is endorsed by the General Assembly of the United Nations as per the Resolution A/RES/57/277/ in 2002.

Participants

Country case study writer and high level government officials, particularly those from central agencies managing public sector reforms and modernization in the respective countries, will be invited to attend the regional forum. Selected resource persons, and representatives from international institutions, the academia and regional institutes, and civil society organizations will also participate. The forum will serve as the primary means through which best practices and other lessons of experience will be disseminated among scholars and policymakers.

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ANNEX

FORMAT AND OUTLINE FOR COUNTRY CASE STUDIES

While globalization is providing new opportunities to countries around the world by promoting economic growth, global wealth generated through globalization has not translated into equitable benefits for vast majority of people in the world. Despite its weaknesses, however, globalization is inevitable and irreversible. The challenge for developing economies, therefore, is to strengthen their internal capacity – especially in the public sector and its inter-face with the civil society and the private sector – to benefit from opportunities provided by globalization and to minimize its negative impacts. Developing countries recognize the central role of the state to benefit from globalization because (a) the state provides a macro-economic environment to create incentives for efficient economic activities; (b) it establishes and enforces institutional arrangements such as law and order and rules and property rights; and (c) provides social services such as education and health and infrastructure to promote economic activities and protect the environment.

Ten country case studies of reinventing government in East and Southeast Asia will be prepared for the Regional Forum on Reinventing Government in East and Southeast Asia. Each case study will describe programmes to reinvent government at the central or local level, examine factors leading to their success or constraints that impeded effective implementation, and identify strategic actions at the national and sub-regional levels to enhance the public sector capacity to cope with rapid pace of globalization.

The capacity of the public sector will be examined from two perspectives – first, its internal capacity to cope with the challenges of globalization and achieve Millennium Development Goals, and, second, its inter-face with the civil society and the private sector to achieve national goals.

Each country case study will examine at least two of the following themes focusing on the issues listed:

Theme 1: Public Sector Capacity to Manage Globalization

- State capacity for strategic assessments;
- Knowledge and skills to conduct consultations and negotiations at national and international levels to promote public interest in the global economy including trade negotiations, regional treaties;
- Policy analysis to assess the impact of globalization;
- Assessment of investment and regulatory regimes for managing globalization;
- Infrastructure and other capacity constraints for product and export market development; and
- Assessment of transformation at local levels as a result of globalization and impact on culture.
Theme 2: Access to Services

- Government and private sector roles, partnerships and innovations for service delivery;
- Assessment of the impact of decentralization on access to services and interregional disparities;
- Role of civil society in local governance and service delivery including assessment of its capacity, its relationship with the government, its sustainability and the assessment of the quality of services by the government and the civil society;
- Capacity and resources of local governments;
- Political and institutional gaps and constraints in implementation of decentralization; and
- Cost, affordability and access to urban and rural services for all.

Theme 3: E-Government and E-Commerce

- Policy framework for e-government including the creation of new policies and legislation for encouraging innovation and harnessing technology;
- Organizational arrangements and national and local government e-readiness;
- Role of e-government in enhancing participatory democracy;
- E-administration and back office components including transitioning to the electronic delivery of services and quantifying cost effectiveness;
- E-learning E-commerce for poverty reduction, and private sector involvement and contribution to national development strategies;
- Role of ICT in making services more accessible, improving government’s internal processes, and providing more information to the people for greater government accountability

Theme 4: Participation and Accountability

- Innovations to enhance accountability and integrity in government;
- Institutional mechanisms that promote better upstream and downstream flow of information from the local to the central government levels;
- Participatory approaches to designing and implementing public policies;
- New frameworks and tools for political, administrative and financial transparency including institutions to combat domestic corruption and conventions against cross-border corruption;
- Sensitivity towards and respect for citizens’ needs including right to information;
- Role of political parties and political skill building.
Outline of Country Case Studies

1. **Introduction** – This section will describe the country context. Specifically, it will describe how globalization has affected the country, both positively and negatively, and the role of the public sector in the process; briefly describe the governance reform strategies of the government to achieve Millennium Development Goals. (3 – 5 pages single space)

2. **Strengths and Capacity Gaps at the Systemic Level**: This section will provide an overview of strengths and weaknesses of the public sector vis-à-vis the challenges of globalization. (3 – 5 pages single space)

3. **Analysis of Selected Theme One**: This section will examine each of the issues listed above under the theme, with some modifications depending upon the country context. The section will begin with the state-of-the-art dealing with the theme, i.e. describe the present situation. It will then describe reforms, good practices and innovative approaches initiated to respond to the issues. Finally, it will critically examine factors that accounted for the performance of the public sector. It would be desirable to give examples of concrete reform initiatives and/or programmes and provide aggregate data where needed. (12 – 15 pages single space)

4. **Analysis of the Selected Theme Two**: This section should follow the same format as #3 above. (12 – 15 pages single space)

5. **Conclusions and Policy Implications**: These sections should, first, present main conclusions and, second, identify policy implications for actions at the regional and at the national levels. (3 – 5 pages single space)

6. **End-notes and Bibliography**: The paper should be in standard format, with end notes that include the full name of author, title of the book or journal article or government report, the name of the publisher, year and page number.

7. **Annexes**: Statistical tables and/or supplementary materials can be included where necessary.