Government at a Glance Southeast Asia 2019



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Please cite this publication as:
OECD/ADB (2019), *Government at a Glance Southeast Asia 2019*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264305915-en*.

ISBN 978-92-64-30590-8 (print)
ISBN 978-92-64-30591-5 (PDF)
ISBN 978-92-64-30681-3 (epub)
ISBN 978-92-64-30379-9 (HTML)

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Foreword

Southeast Asia (SEA) is one of the most dynamic regions in the world today. Rapidly evolving economies and societies, however, present new challenges for governments. For example, citizens and businesses alike have higher expectations: better and more efficient services delivered through both traditional and digital channels, greater transparency, and more inclusive decision-making processes.

SEA and the Organisation for Economic Co-operation and Development (OECD) member countries share the objective of delivering good quality services to citizens within a sound fiscal framework. The starting point for improving public sector effectiveness is to accurately benchmark government activity and performance. This first edition of Government at a Glance Southeast Asia 2019 *provides internationally comparable data on government resources, processes and outcomes in specific sectors in SEA countries. It builds on and enriches the information collected through previous Government at a Glance publications covering OECD countries (since 2009) and the Latin American and Caribbean region (since 2014).*

This comparative analysis will help policymakers, public managers and citizens assess the performance of governments in the region. The 34 indicators in this publication cover key aspects of public management, such as budget practices and procedures, strategic human resources management, digital government and open government. Data on public finances, employment, and some key service delivery outcomes are also included.

This report shows that, in general, participating SEA countries – Brunei Darussalam, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam – are strengthening their public finances, although there are wide variations between countries. Their citizens report relatively high satisfaction with public services according to the latest Gallup pool data; however, several areas need improvement. For instance, while women are well represented in the public sector, they still face significant barriers in reaching senior leadership positions and are not equally represented in politics. Furthermore, human resource management practices in SEA governments are highly centralised, making it difficult to adapt to rapidly changing environments. There are also challenges in deploying digital strategies to a wider range of policy areas such as education and health. More effective open government policies are key to a citizen-centric approach to public service delivery.

Government at a Glance – Southeast Asia 2019 *is the product of close collaboration between the OECD and the Asian Development Bank (ADB). It brings together the OECD's globally recognised expertise in collecting, processing, and analysing information on public governance practices, and ADB's knowledge and experience in governance and public sector management in the Asia and Pacific region. This work is aligned with ADB's Strategy 2030, which envisions a region that is prosperous, inclusive, resilient, and sustainable. It specifically responds to ADB's operational priority of strengthening governance and institutional capacity in developing member countries. This will be achieved by helping countries benchmark their performance in public sector management and reforms to promote effective, efficient, timely, and corruption-free delivery of public services. The report will also support related initiatives of the Association of Southeast Asian Nations (ASEAN), which focus on helping countries to achieve the ASEAN Community Vision 2025.*

We are confident that this publication will become a key resource for policymakers, practitioners, citizens and researchers in helping governments make evidence-based decisions, thereby improving citizens' lives through better public policies.



Angel Gurría
Secretary-General, Organisation
for Economic Co-operation and Development



Takehiko Nakao
President, Asian Development Bank

Acknowledgements

This first edition of *Government at a Glance Southeast Asia 2019* draws on data collected from ten Southeast Asian countries to better inform public sector reforms and evidence-based policy making in the region. The 34 indicators cover key aspects of public management, including public finance and economics, public employment, budgeting practices and procedures, strategic human resources management, digital and open government, and citizen-centric services.

This work was led by Zsuzsanna Lonti (OECD) and Hanif Rahemtulla (ADB). It was drafted by Juliana Chia (ADB), Claudia Chwalisz (OECD), Santiago González (OECD) and Alessandro Lupi (OECD). Major drafting contributions were received from Anne Keller (OECD, Chapter 4); Cristina Mendes (OECD, Chapter 5); Reginald Dadzie (OECD), Barbara Ubaldi (OECD) and João Vasconcelos (OECD, Chapter 6); and Craig Matasick (OECD, Chapter 6). The following people were instrumental in the conception and development of this publication; from OECD: Marcos Bonturi (Director of Public Governance Directorate) and Edwin Lau (Head of Budgeting and Public Expenditures Division); from ADB: Stephen Groff (former Vice-President of Operations in East Asia, Southeast Asia, and the Pacific), Bambang Susantono (Vice-President of Knowledge Management), Woochong Um (Director General, Sustainable Development and Climate Change), Ramesh Subramaniam (Director General, Southeast Asia Department), Chiara Bronchi (Chief Thematic Officer, Sustainable Development and Climate Change), Sona Shrestha (Director, Southeast Asia Department), Gambhir Bhatta (Advisor, Sustainable Development and Climate Change and Chief of Knowledge Advisory Services Center) and Bruno Carrasco (Chief of the Governance Thematic Group, Sustainable Development and Climate Change).

We thank Stella Balgos (ADB), Salma Dahir, Guillaume Lafortune, Kate Lancaster, Raquel Paramo, Clare Rogers and Andrea Uhrhammer for their help in preparing and editing this publication. The cover is an original drawing by Jeffrey Fisher.

This joint publication between the OECD and the ADB is the result of contributions from a wide range of sources and expertise. This work was co-financed with resources and technical support from the ADB, and the World Bank for the budget practices and procedures survey. It also benefitted from the support of the International Budget Partnership, OECD-Korea Policy Centre, the Korea Development Institute, the Korea Institute of Public Finance, the Public Expenditure Managemenet Network in Asia (PENMA) and the Office of the Public Sector Development Commission of Thailand, as well as independent technical experts (Ha Thi Thu Huong, Willy McCourt, Mohammad Habibur Rahman, Soupha Rawady, Thy Try, Damian West and Ngu Wah Win) and local country co-ordinators (Le Duy Binh and Zaw Oo).

The authors express their gratitude to country officials from Southeast Asia who replied to the surveys and helped during the data validation process. Furthermore, we thank the Association of Southeast Asian Nations (ASEAN) Secretariat for their assistance in disseminating the publication to the country officials for validation purposes, and our colleagues at the Singapore Prime Minister's Office for their support and assistance in facilitating channels of communication with government authorities in other Southeast Asian countries.

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Executive summary

The ten Southeast Asian (SEA) countries included in this publication together make up the world's seventh-largest economy, with average real gross domestic product (GDP) growth of 5.3% in 2017. Economic and social progress in the past quarter century has been outstanding. However, governments in Southeast Asia need to respond to constant change in an increasingly complex world. This raises challenges in many policy areas including: fiscal management, bureaucratic efficiency, civil servant capacity, and openness and transparency.

Achieving a citizen-centric civil service is a central goal for governments. It requires an in-depth understanding of citizens' expectations and experiences and a public decision-making process that puts citizens at the centre. Countries also need to strengthen public sector institutional capacities to foster well-being and inclusive and sustainable growth. *Government at a Glance Southeast Asia 2019* provides a set of indicators to guide public sector reform in the region and support the achievement of citizen centricity in the Association of Southeast Asian Nations Community Vision 2025.

These data and indicators allow ASEAN countries to compare their performance to each other, to the regional average, to key OECD neighbouring countries, and to the OECD average. Such comparisons contribute to a robust assessment of public sector reforms in the region and provide good practices for future actions.

Key findings

The public finances of SEA countries are improving, but there are wide variations. Fiscal deficits, on average, dropped to 1.79% of GDP in 2016, compared to 2.73% in 2009, although still higher than in 2007 (0.19%). Fiscal balances ranged from a deficit of 21.5% to a surplus of 3.3% in 2016. Government debt across SEA countries also varies significantly, from a high of 107% to a low of 3% in 2016; between 2007 and 2016 debt increased in six out of 10 SEA countries.

Public sectors in the SEA region are relatively small. In 2016, public employment in the SEA region represented on average 15% of total employment, compared to 21% for OECD countries. SEA government expenditures were 20% of GDP, but 40.6% for the OECD.

Overall, women are well represented in the public sector, but face significant barriers in reaching senior leadership positions; women's political representation in parliament and in ministerial positions could also be improved. There are considerable differences among SEA countries in women's share in total employment, ranging from 49% in Vietnam to 38% in Malaysia, while women constitute 54% of public sector employment in the Philippines but only 36% in Lao People's Democratic Republic. In the political sphere, women are still under-represented in the region. On average, 10% of ministerial posts were filled by women in 2017, compared to 28% in OECD countries. On average, women held 20% of parliamentary seats in SEA countries in 2018, only 1.7 percentage points higher than in 2008. The share of women in parliament ranges from 30% in the Philippines to 5% in Thailand.

To strengthen fiscal frameworks, SEA countries should reinforce medium-term expenditure planning and make budget information more widely available. Budget transparency allows citizens to access information on how public money is raised and used. Two-thirds of SEA countries have established medium-term expenditure frameworks (MTEF) (compared to 91% of OECD countries). In Indonesia and Thailand the MTEF is enshrined in law while for most SEA countries they are part of a strategy or policy. It is noted that 50% of the SEA countries release the underlying methodology and economic assumptions of the fiscal projections supporting their budgets, compared to 85% of OECD countries.

SEA countries operate more centralised human resources management (HRM) practices than OECD countries. On average, SEA countries are less likely to delegate HRM to line departments and managers than OECD countries. All countries use employee performance evaluations. Some countries link performance to pay, particularly for members of the senior civil service (SCS), who are managed under different employment frameworks in most SEA countries. In fast-changing environments, candidates recruited from outside the civil service, at least for senior positions, can bring in different experiences and skills. However, only two SEA countries reported having an external recruitment process; in most, SCS are recruited internally.

All SEA countries have digital government strategies, but they are largely limited to general public services (e.g. permits, licences, certificates). SEA countries should broaden the scope of digital strategies to other areas of the public sector. Digital identification mechanisms, integrated with a national online portal for public services, can give citizens better access to services. Currently, seven of the ten SEA countries have a digital identification mechanism. Only three countries measure the direct financial benefits of information and communication technology (ICT) projects within their respective governments, and most do not measure the financial benefits of ICT investments for businesses and citizens.

SEA countries have begun laying the foundations for open government, but challenges remain. Only three countries in the SEA region currently have a "freedom of information" law. Furthermore, only four SEA countries have formal requirements for all public sector organisations to make their data open by default. Half of the countries surveyed monitor and evaluate the impact of open government initiatives. A major challenge in five SEA countries is that the co-ordinating institution lacks an adequate mandate.

People in Southeast Asia report relatively high satisfaction with public service quality based on available Gallup polling data. While these data have their limitations (see page 34) it is the only international dataset that covers at regular intervals a wide range of countries both OECD and SEA ones. There are considerable differences among SEA countries. For example, 93% of citizens in Singapore are satisfied with the quality and availability of health care, but only 62% in Vietnam. On average citizen satisfaction with the health system increased slightly (3 p.p. from 2007 to 2017). Satisfaction with the education system and schools remained stable, while satisfaction with the justice system and the courts increased the most (6 p.p.). However, the shortage of educational material is acute in some countries. SEA countries score lower (0.48) on the index of accessibility and affordability of civil justice services than OECD countries (0.62).

Reader's guide

Data sources and features

Most of the data in *Government at a Glance Southeast Asia 2019* were collected from government officials by the OECD via specifically defined surveys (Budgeting Practices and Procedures, Digital Government, Open Government and Open Government Data, and Strategic Human Resources). As such, they represent either official government statistics or the country's own assessments of current practices and procedures. To the extent possible, OECD data collection instruments use standardised definitions and common units of measure. However, biases can occur in that countries may interpret and answer questions differently and/or may not answer the questions completely objectively. In general, the direction of the bias is known but not necessarily its extent. To try and minimise these biases, the OECD cleaned and verified the collected data by following up with countries when there were potential inconsistencies and outliers. This has been mainly achieved thanks to the OECD's knowledge through previous work in the region and local presence in the countries under study. In addition, respondents have been asked to provide additional evidence to validate their answers which, in turn, have been verified with other external and additional sources whenever available. Data collection began in 2017 and in six countries – Cambodia, Indonesia, Malaysia, the Philippines, Singapore and Thailand (for the Budgeting Practices and Procedures survey data collection started in 2015 and was updated in 2018). Data collection began in 2018 in the remaining four countries – Brunei Darussalam, the Lao People's Democratic Republic, Myanmar and Viet Nam. All data were finalised after a thorough data cleaning process for all countries in 2018.

Data were also drawn from other international organisations such as the *International Labour Organization* (ILO) and the *International Monetary Fund* (IMF). The public finance and economics data for SEA countries were based on the *IMF World Economic Outlook* (IMF WEO) and the *IMF Government Financial Statistics* (IMF GFS) databases. Data from the IMF WEO were extracted in early May 2018 corresponding to the April update. Data from the IMF GFS database were extracted on *May 30th 2018*. Moreover, data for tax revenues, which are also part of the public finance data, were extracted from the OECD Revenue Statistics in Asian Countries database on *May 30th 2018*. Finally, for the OECD countries and the average, the data were based on the *System of National Accounts* (SNA) and were extracted from the Government at a Glance online database representing the last available update: 28 *June 2018* (financial government accounts: 3 *July 2018*). In many cases, data on public finances are presented for 2007, 2009, 2016 and if available, 2017.

The public employment data for SEA countries was extracted from the ILO dataset LABORSTA on *13 July 2018*.

Despite the significant accomplishments of international organisations in harmonising data among the various statistical systems, several differences that impact some of the indicators analysed. Therefore notes are included within the methodological sections whenever specific methodological considerations need to be taken into account.

Finally, indicators included in the Serving Citizens chapter are also resulting from different sources, which are the worldwide public opinion polls of *Gallup World Pool* database for 2007 and 2017, the *Word Justice Project* database for 2017, the *OECD 2015 PISA* database for 2015, and the *World Health Organisation*

2018 - Global Health Estimates 2016 dataset for 2010 and 2016. Data for this chapter were extracted from the correspondent databases on *24 August 2018*.

Country coverage

Government at a Glance Southeast Asia 2019 includes data for ten SEA countries: Brunei Darussalam; Cambodia; Indonesia; the Lao People's Democratic Republic; Malaysia; Myanmar; the Philippines; Singapore; Thailand and Viet Nam. As such, throughout this publication, 'SEA countries' refer to a maximum of these ten countries. However, it should be noted that the number of countries available for each indicator varies. Therefore, SEA averages and totals calculated for each indicator correspond to the number of countries for which data were available. In the case of surveys, this typically depends on whether they responded to each survey, as well as on the exact questions to which countries provided data for (more information can be found in the table below and in the specific chapters). This is the list of countries for which data from external sources (e.g. ILO, IMF) were also extracted, based on data availability. In addition, for this edition, four OECD survey instruments were used to collect data on relevant public management practices. Based on the coverage and country participation, data were collected for an uneven number of countries. This publication also includes data for four OECD countries in the region: Australia; Japan; Korea and New Zealand, as well as the OECD average of all member countries.

0.1. Overview of all surveys to which SEA countries responded

	Budget practices and procedures	Digital government	Open government and open data	Strategic Human Resources Management
Brunei Darussalam	✓	✓	✓*	✓
Cambodia	✓	✓	✓	✓
Indonesia	✓	✓	✓	✓
Lao People's Democratic Republic	✓	✓		✓
Malaysia	✓	✓	✓	✓
Myanmar	✓	✓		
Philippines	✓	✓	✓	✓
Singapore	✓	✓	✓	✓
Thailand	✓	✓	✓	✓
Viet Nam	✓	✓	✓	✓
Total	10	10	8	9

* Brunei Darussalam did not respond to the open government section of the survey.

The first Government at a Glance Southeast Asia Steering Committee meeting was held in Bangkok, Thailand on 15-16 September 2016, with support from the Office of the Public Sector Development Commission of Thailand. Countries that participated included: Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, the Philippines, Singapore, Thailand and Viet Nam. The aim of this meeting, where the OECD presented the concept paper to the participating countries, was to discuss the strategic orientation of the initiative. Following this meeting, an initial six countries (Cambodia, Indonesia, Malaysia, the Philippines, Singapore and Thailand) formally agreed to participate in the publication. The data collection process began by disseminating the three OECD surveys (strategic human resources management; digital government; and open government and open data) to the six countries in 2017. For the budgeting practices and procedures survey data collection started in 2015 and was updated in 2018. The OECD carried out data cleaning following established guidelines created by topic experts in the OECD.

The first data validation workshop, in conjunction with the OECD Korea Policy Centre and the Office of the Public Sector Development Commission of Thailand, took place the following year in Seoul, Korea, on 12-13 September 2017. All six countries participated in the workshop that was also attended

by independent technical experts, experts from the Korean government, country representatives, OECD staff and ADB staff. The purpose of the workshop was to provide an overview of the country's responses and to verify the collected survey responses. The workshop also served as a means to discuss preliminary results of the collected data and to resolve any pending data validation issues.

Following the first data validation workshop, the four other countries (Brunei Darussalam, the Lao People's Democratic Republic, Myanmar and Viet Nam) formally agreed to participate in the *Government at a Glance Southeast Asia 2019* publication. Data collection for the same three surveys began immediately. The OECD carried out data cleaning using the same guidelines, involving active communication with the respective country's focal points.

A second data validation workshop was held on 9 May 2018 in Manila, the Philippines. Participating countries included: the Lao People's Democratic Republic, Myanmar and Viet Nam. In addition to the country representatives, independent technical experts, OECD staff and ADB staff also participated in the workshop. Data for the Budget Practices and Procedures survey were also validated during this second validation workshop. The data validation process for Brunei Darussalam was conducted over a series of online WebEx sessions.

Shortly after the second data validation workshop, the data cleaning for all ten countries was finalised, in close co-operation with the respondents of each survey.

Country codes (ISO codes)

The International Organization for Standardization (ISO) defines three-letter codes for the names of countries, dependent territories and special areas of geographical interest. For the geographical display of some figures, the following ISO codes are used.

0.2. ISO Codes

SEA countries	
Brunei Darussalam	BRN
Cambodia	KHM
Indonesia	IDN
Lao People's Democratic Republic (hereafter 'Lao PDR')	LAO
Malaysia	MYS
Myanmar	MMR
Philippines	PHL
Singapore	SGP
Thailand	THA
Viet Nam	VNM
OECD selected countries	
Australia	AUS
Japan	JPN
Korea*	KOR
New Zealand	NZL

* With regards to Korea, the name refers to the Republic of Korea.

SEA and OECD averages and totals

Averages

In figures and text, the SEA and OECD averages refer either to unweighted, arithmetic mean or weighted average of the SEA region – covering the 10 ASEAN member countries – and OECD member countries for which data are available. SEA countries not included in the graphs and tables are those where data are not available.

When a figure depicts information for one or more years, the SEA average includes all countries with available data (unless specified otherwise). For instance, a SEA average for 2016 includes all current SEA countries with available information for that year.

In the case of *National Accounts* data, which are shown in the Public Finance chapter, the SEA and OECD averages refer to the weighted average, unless otherwise indicated.

Totals

SEA and OECD totals are most commonly found in tables and represent the sum of data in the corresponding column for SEA and OECD countries for which data are available. In the case of SEA countries, those not included in the tables are countries without available data.

For the selected OECD member countries and OECD averages and totals, data are those published in the *Government at a Glance* online dataset and/or in the OECD *Government at a Glance 2017* edition. On 3 May 2018, the OECD Council invited Lithuania to become a Member. This country entered officially as an OECD member on the 5 of July 2018. At the time of preparation of this publication, the deposit of Lithuania's instrument of accession to the OECD Convention was pending and therefore Lithuania does not appear in the list of OECD Members and is not included in the OECD average.

Online supplements

Government at a Glance Southeast Asia 2019 also offers access to StatLinks, a service that allows readers to download the corresponding Excel files of the data featured. StatLinks are found at the bottom right-hand corner of the tables or figures and can be typed into a web browser or, from an electronic version of the publication, clicked on directly.

In addition, the following supplementary materials are available online at: *http://oe.cd/gov-data-sea*

- The *Government at a Glance* statistical database, which includes updated data for a selection of quantitative indicators via OECD.Stat and the published qualitative data;
- Country fact sheets, which present key data by country compared with the SEA and OECD averages.

Per capita indicators

Some indicators (e.g. expenditures, revenues and government debt) are shown on a per capita (e.g. per person) basis. The underlying population estimates are based on the notion of residency. They include persons who are resident in a country for one year or more, regardless of their citizenship, and also include foreign diplomatic and defence personnel together with their families, students studying and patients seeking treatment abroad, even if they stay abroad for more than one year. The one-year rule means that usual residents who live abroad for less than one year are included in the population, while foreign visitors (for example, tourists) who are in the country for less than on year are excluded. An important point to note in this context is that individuals may feature as employees of one country (contributing to the gross domestic product (GDP) of that country via production), but residents of another (with their wages and salaries reflected in the gross national income of their resident country).

Purchasing power parities

Purchasing power parities (PPPs) are the rates of currency conversion that equalise the purchasing power of different countries by eliminating differences in price levels between countries. When converted by means of PPPs, expenditures across countries are in effect expressed at the same set of prices. An equivalent bundle of goods and services will, therefore, have the same cost in both countries, enabling comparisons that reflect only the differences in the volume of goods and services purchased.

The PPP index used for SEA countries is the same as those used by the IMF World Economic Outlook (WEO). The International Comparisons Program is a global statistical initiative that produces internationally comparable PPP estimates. The WEO uses PPP exchange rate estimates (maintained

and published by the World Bank, the OECD, and other international organisations) to calculate its own PPP weight time series.

Composite indicators

The publication includes seven descriptive composite indicators in narrowly defined areas. These composite indexes are a practical way of summarising discrete, qualitative information. The composites presented in this publication were created in accordance with the steps identified in the *Handbook on Constructing Composite Indicators* (Nardo et al., 2008).

Details about the variables and weights used to construct the different composite indicators are available in Annexes A and B. While the composite indicators were developed in co-operation with OECD countries and are based on theory and/or best practices, the variables included in the indexes and their relative weights are based on expert judgments and, as a result, may change over time.

Signs and abbreviations

..	Missing values
x	Not applicable (unless otherwise stated)
ADB	Asian Development Bank
ADR	Alternative dispute resolution
ASEAN	Association of Southeast Asian Nations
CBA	Central budget authority
CIO	Chief information officer
CPA	Central public administration
EUR	Euros
GDP	Gross domestic product
GFS	Government Financial Statistics
GFSM	Government Finance Statistics Manual
HR	Human resources
HRM	Human resources management
ICT	Information and communication technology
ILO	International Labour Organization
IMF	International Monetary Fund
IODC	International Open Data Charter
ISO	International Organization for Standardization
MTEFs	Medium-term expenditure frameworks
NCD	Non-communicable diseases
OCSC	Office of the Civil Service Commission
OGD	Open government data
OGP	Open Government Partnership
PBO	Parliamentary budget offices
PISA	Programme for International Student Assessment
p.p.	Percentage points
PPP	Purchasing power parities / public-private partnerships
PR	Proportional representation

PRP	Performance-related pay
SCS	Senior civil servants
SEA	Southeast Asia
SHRM	Strategic Human Resources
SNA	System of National Accounts
USD	US dollars
TIP	Traditional infrastructure procurement
WB	World Bank
WEO	World Economic Outlook
WJP	World Justice Project

Introduction

Objectives

The main objective of the *Government at a Glance* series has been to provide reliable, internationally comparable data on government activities and their results in OECD member countries. By broadening the scope to other regions in the world, such as Southeast Asia (SEA), this publication allows countries to benchmark their own governments' performance within the region and in relation to the OECD. In addition, it allows governments to track both their own and international developments over time and provides evidence to their public policy making. This publication covers the ten Association of Southeast Asian Nations (ASEAN) countries, as well as the four OECD countries in their proximity – Australia, Japan, Korea and New Zealand.

Indicators on government activities and public management practices

Southeast Asian countries are interested in collecting information to identify how public governance and, more specifically, public management practices contribute to a government's ability to achieve its objectives. *Government at a Glance Southeast Asia 2019* is built on the following framework, which describes the public "production" process and identifies five types of indicators: 1) contextual factors, 2) inputs, 3) processes, 4) outputs and outcomes.

Contextual factors

Annex C presents contextual information describing some key features of the political and administrative structure of the ten countries included in the publication. Situating policies and indicators within this contextual background can help us to better understand differences among countries, and identify those with similar structures that might serve as better comparators for benchmarking purposes.

Inputs

Input indicators include data on government revenues, expenditures, employment and workforce characteristics. These are the main components of the inputs to government production function and provide insight into the incentives and constraints that governments face in determining what types of goods and services to provide. Furthermore, these data allow for a comparison of the proportion of the economy devoted to producing different goods and services, as well as the difference in the mix of inputs used for production. For instance, as labour is a key input in the government production process, the size of the public sector may affect government productivity and its capacity to provide goods and services.

Processes

Process indicators refer to the public management practices and procedures undertaken by governments to implement policies. They describe how governments implement policies and how inputs are transformed into outputs and outcomes. This first edition for the region contains information on processes such as budgeting, human resource management, digital and open government practices. This allows countries to evaluate the effects of recent reforms, and identify new strategies to improve

their performance. For example, effective human resource management is key for aligning people management with the strategic goals of public sector organisations. Digital government can improve government efficiency and effectiveness; it can also increase public trust by using new technologies to boost the quality and tailor the provision of public services to citizens' needs. Finally, the openness, usefulness and reusability of public data can create new business opportunities and inform citizen engagement as well as improve the government decision-making process.

Indicators of outputs and outcomes

The dividing line between outputs and outcomes can be blurry. While outputs refer to the amount of goods and services produced by governments, outcomes show the effects of policies and practices on citizens and businesses. The success of a given policy should be measured at a first stage by outputs, but should ultimately be judged by the outcomes it achieves. Broadly speaking, outcomes refer to the effects of public programmes and services for citizens, inclusive of gains in terms of welfare, health and educational/learning. While these outcomes can be affected by the quality of programmes and services provided, other factors such as the socio-economic background of the population and individual behavioural factors may also have an impact.

In *Government at a Glance Southeast Asia 2019*, measures of outputs and outcomes are described in the Serving Citizens chapter (Chapter 7). This chapter follows a sectoral approach to measuring outputs and outcomes of public sector activities. Based on a consolidated framework developed horizontally with other OECD directorates and in collaboration with OECD countries, the chapter provides measures of services to citizens in terms of access, responsiveness and quality. This publication focuses on three sectors: health care, education and the judicial system.

Structure

Government at a Glance Southeast Asia 2019 starts with a policy chapter on the region's goal to achieve citizen-centric public services and how the collected data can illuminate how ready governments are to accomplish that goal. Chapters 2-6 provide data on the following areas of public administration: Public Finance, Public Employment, Budgeting Practices and Procedures, Human Resources Management, Digital and Open Government. Chapter 7 includes available comparative indicators on citizen satisfaction with key public service and aspects of service quality.

All data and indicators are accessible online

All data collected by the OECD Public Governance Directorate for the production of *Government at a Glance Southeast Asia 2019* are available online on the OECD website. Readers interested in using the data presented in this publication for further analysis and research are encouraged to consult the full documentation of definitions, sources and methods presented in the publication and online. This database includes both qualitative and quantitative indicators on public sector inputs, processes, outputs and outcomes.

Chapter 1

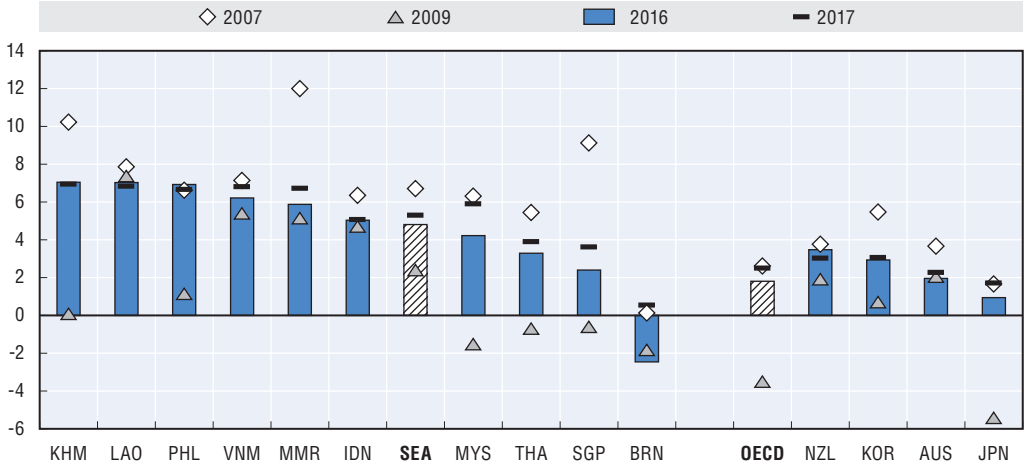
Towards a citizen-centric civil service

Introduction

This Southeast Asian (SEA) edition of *Government at a Glance* collects new data on public sector management in the ten countries that make up the Association of Southeast Asian Nations (ASEAN), a regional grouping that promotes inclusive and innovation-led economic growth among its ten members. They are Brunei Darussalam; Cambodia; Indonesia; Lao PDR; Malaysia; Myanmar; the Philippines; Singapore; Thailand and Viet Nam. Comparisons to four OECD countries in the neighbourhood (Australia, Japan, Korea and New Zealand), as well as to the SEA and OECD averages, offer policy makers new evidence to improve decision making and provide better public services. The data in this publication have been collected to better understand the current governance situation in SEA countries, as well as to underpin learning from each other and from OECD countries.

SEA countries make up the world's seventh-largest economy and had a population of around 633 million people in 2015, with an average annual real GDP growth rate at 5.3% in 2017, much higher than the OECD rate of 2.5% (Figure 1.1). This is expected to remain unchanged from 2018 to 2019 (OECD, 2018).

Figure 1.1. **Real GDP growth, 2007, 2009, 2016 and 2017**



Note: Data for 2017 in some countries refer to forecasts.
Sources: For SEA countries, IMF (April 2018) World Economic Outlook Database. For OECD countries, OECD National Accounts Statistics (database).

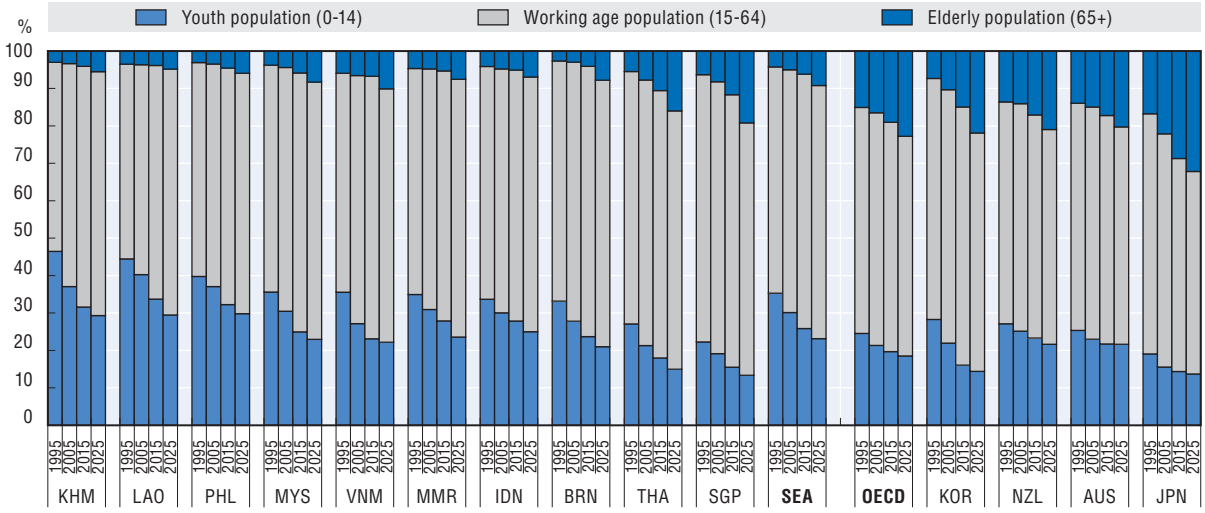
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Compared to OECD countries, SEA countries have on average larger current and projected youth and working-age populations in the overall population (Figure 1.2). This trend will likely contribute to SEA countries' ability to sustain higher growth rates, though youth unemployment is a key challenge in the region (ILO, 2017). As for most countries, populations are also ageing, changing the types of services that citizens will require from the state.

In tandem with the strong starting points of citizen satisfaction with services, fiscal health and young populations, citizen expectations of government services have been rising. Recent OECD reports highlight that countries in the region need to strengthen public sector institutional capacities to

improve citizens' quality of life and to foster inclusive and sustainable growth (OECD, 2018). However, the institutional challenges faced are diverse; fiscal management, bureaucratic efficiency, civil service capacity, the response to new, disruptive technologies and openness and transparency are among the major issues still to be addressed.

Figure 1.2. **Age distribution rates of the population, 1995, 2005, 2015, and projected 2025**



Notes: Each share represents the number of individuals in each age group divided by the total population; Data are ordered by higher youth population in the first year (1995).
Sources: United Nations, Department of Economic and Social Affairs, Population Division (2017). World Population Prospects: The 2017 Revision, DVD Edition.

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For these reasons, promoting a citizen-centric approach is a central goal for Southeast Asian (SEA) governments. Countries in the region are aware of the need to strengthen public sector institutions and of the challenges they need to overcome, sharing a commitment to "regional cooperation for effective, efficient, transparent, accountable civil service systems and good governance" (ASEAN, 2017). SEA governments see the civil service as essential for achieving the ASEAN Vision 2025 of a "community that is politically cohesive, economically integrated, socially responsible and truly rules-based, people-oriented and people-centred". In 2015, the ASEAN Cooperation on Civil Service Matters adopted the Putrajaya Joint Declaration on ASEAN Post-2015 Priorities towards an ASEAN Citizen-Centric Civil Service. It has the following missions:

- enhancing existing measures for networking, mutual learning and sharing experiences among members
- promoting and facilitating the exchange of best practices and public management innovations by enhancing the ASEAN Resource Centres' role as experts in their respective competency areas
- establishing supporting initiatives to help ASEAN civil services develop and adopt cutting-edge practices
- implementing various programmes on civil services matters with the support and assistance of ASEAN dialogue partners and regional/international agendas.

What does "citizen-centric" mean?

Governments become more citizen-centric when citizens' wants and needs drive policy decisions and public service provision. High-quality service delivery relies on a thorough understanding of citizens' expectations, experiences and key drivers of satisfaction, as well as a

public decision-making framework that puts citizens at the centre. This approach has multiple aims and benefits, including making public administrations more efficient, effective, and transparent, which can, in turn, further increase citizen satisfaction and trust in government. Broadly, a citizen-centric approach is one where, instead of the bureaucracy second-guessing citizens, governments consult citizens about their needs, and encourage their direct participation in policy making and service design and delivery.

Policy makers can also make public services more citizen-centric by using data and information to better understand citizens' needs, and to support civil servants identify potential accessibility gaps. This means that public services are more responsive, accessible and effective (see Chapter 7 on serving citizens). Moreover, measuring citizen satisfaction and preferences, and gathering user feedback, can help civil servants monitor performance over time, improve service delivery, and assess the impact of reforms. Ultimately, the use of such information can lead to a citizen-centric allocation of time and resources (World Bank, 2018). Together, these approaches can improve citizen satisfaction with policy outcomes and with the public services they receive. Citizen satisfaction is linked to service quality and direct experience of services (OECD, 2017c), but also, more broadly, to whether citizens feel that governments are fair stewards of limited resources and follow impartial procedures.

How to achieve a citizen-centric civil service?

This chapter looks at three ways in which governments can achieve a citizen-centric approach to policy making and service delivery. First, services need to be co-ordinated so that they are organised around citizen demand and not government supply. This requires data on user preferences and service usage to help drive insights and accountability. Second, a citizen-centric approach requires openness, engagement, transparency and accountability in the way policy decisions are made, financial resources allocated and public services provided. Finally, citizen-centricity is about making the right policy and expenditure choices that respond to and anticipate citizen needs.

To support a citizen-centric approach to policy making, more strategic management of the government workforce is needed. Strategic human resource (HR) management helps ensures that the makeup of the civil service reflects society's diversity, builds capacity to innovate, and focuses on establishing links with civil society and leveraging digital tools to reach out to citizens.

This chapter provides a preliminary overview of how SEA countries are performing when it comes to achieving these aims, drawing on new empirical evidence collected for *Government at a Glance Southeast Asia 2019*. It can help governments pinpoint areas for improvement, identify best practices in the region and enhance mutual learning and sharing of experiences among countries. Over time, reflecting on how governments and the policies and services they deliver can be better organised in the interest of more inclusive societies will entail a deeper review of how we assess government performance and the indicators used to measure it.

Overall, the findings in this *Government at a Glance Southeast Asia 2019* edition show a high level of heterogeneity among the countries. SEA countries have varying economic, political and social systems. There is a mix of democratic, communist and autocratic states. Population size also varies greatly with differing demographics. Some countries are sparsely populated while others are dense, and there is a range of dominant religious groups. In reports about the SEA region (OECD, 2018), countries are often clustered into three groups that capture the differences in their size and wealth: Brunei Darussalam and Singapore; the ASEAN-5 (Indonesia, Malaysia, the Philippines, Thailand and Viet Nam), and the CLM economies (Cambodia, Lao PDR and Myanmar). There are nonetheless some overarching governance trends in the region, some of which are barriers to achieving a citizen-centric

civil service: a strong degree of centralisation; a preference for top-down processes; siloed ways of working; weak strategic focus, and a generally low level of openness. Each of these will be discussed throughout the chapter.

Organising services around citizen needs

Relations between citizens and the public sector are being transformed by the increasing digitalisation of government practices and public service delivery. At the same time, the level of mobile technology penetration and internet access varies widely in the region and is quite low in certain countries, particularly the CLM – Cambodia, Lao PDR and Myanmar (ITU, 2017). The shift towards digital is not universal and governments need to manage the transition, ensuring that those who are not digitally connected do not get left behind, or create new forms of digital divides.

In general, citizens' expectations of efficiency, quality and customisation are shaped by their holistic experiences, including those with private sector providers, and their expectations are changing. SEA countries have the opportunity to learn from the experiences of OECD countries, such as avoiding legacy systems that are difficult to update and embedding flexibility and co-ordination into the HR system to make it more responsive to citizens' and businesses' needs. To keep up in an environment of constant change, civil servants must interact with citizens to gain insights on their needs and experiences, and collaborate to find solutions that best respond to their feedback.

One aspect of integrated service delivery is reflected in governments' national online portals, which combine data, information, systems, processes and services. However, the greatest value does not come from providing citizens with a single point of contact to government services, but rather from easing access to reflect more integrated processes inside organisations. The vast majority of SEA countries have established a national citizens' online portal, although the features and services provided vary greatly among countries (see Chapter 6 on digital government). On the whole, these portals are fairly comprehensive, and may reflect the advantages of a later start than OECD countries, such as having fewer legacy systems, more mature technologies and new ICT tools.

However, some SEA countries could improve by providing a nationally recognised digital identification (eID) mechanism that would enable higher internal integration and improved access to public services. Such mechanisms provide citizens with access to multiple government online services through one portal. While almost all OECD countries have this in place, only three-quarters of the SEA countries do. More critically, in almost all SEA countries the digital identification mechanism is not yet fully integrated with the national online portal for public services (see Chapter 6 on digital government). Establishing this link will play a crucial role in improving the quality of services and of citizen interactions with government, which could have an impact on citizen satisfaction as well as on overall trust.

Moreover, greater collaboration among and decentralisation to sub-national governments and line ministries from central government is another way to bring government closer to citizens. The surveys across the different areas – strategic HR management, budgeting, digital and open government – all show that decision making is still rather centralised and top-down. While this is, of course, important for certain decisions, for others a more citizen-centric approach would entail decision making at a level closer to the communities affected. This is especially important given that most public services are delivered at the sub-national and local levels. A co-ordinated government approach can help provide cross-service synergies, particularly when it comes to service digitisation (see Chapter 6 on digital government). For instance, at the moment, only around half of the SEA countries have formal mutual co-ordination processes or mechanisms below the national level (Table 1.1).

Table 1.1. **Existence of a mutual co-ordination process or mechanism formally in place between units responsible for public sector ICT projects, 2018**

	Across central government (e.g. sector CIO co-ordination)	Across all levels of government (e.g. central-local co-ordination)	Across local levels of government (e.g. co-ordination between municipalities)
Brunei Darussalam	●	○	○
Cambodia	●	○	○
Indonesia	●	●	○
Lao PDR	●	○	○
Malaysia	●	●	●
Myanmar	●	●	○
Philippines	●	○	○
Singapore	●	○	○
Thailand	○	○	○
Viet Nam	●	●	○
SEA Total	9	4	1
Australia	●	○	○
Japan	●	●	○
Korea	●	●	●
New Zealand	●	○	○
OECD Total	21	7	7

Key:
Yes = ●
No = ○

Notes: Brunei Darussalam and Singapore have a single layer of government (i.e. the central government); data refer to 2014 for OECD countries. Data refer to 2014 for OECD countries.

Sources: For SEA countries, OECD (2018) Digital Government Performance Survey. For OECD countries, OECD (2014) Digital Government Performance Survey.

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Citizen-centric policy-making processes: Open, engaging, transparent and accountable

Citizen-centric policy making is dependent on having inclusive processes, as well as evidence and structures in place to ensure that policies and their implementation reflect and integrate citizens' perspectives.

Openness and engagement

The range of mechanisms for including and engaging citizens in an ongoing and constructive dialogue is greater than ever. However, while these mechanisms are available, it does not necessarily mean that they are being used to their full potential across SEA countries. More and better co-ordination and engagement at the policy design and implementation stages may be required to fully reap the benefits of a citizen-centric approach.

Most SEA countries are still at the early stages of incorporating public engagement into their policy-making and service delivery processes. Few countries have an overarching document focused on citizen participation in the policy cycle; this is something that can be developed in line with the goal of a more citizen-centric approach. Equally, few countries mention that improving citizen participation in policy making or increasing citizen trust in public institutions are key national policy objectives (see Chapter 6 on open government).

From access to information to open, useful, reusable government data

Citizen-centric and data-driven processes require access to information as a basic precondition. "Freedom of information" (FOI) laws create a framework of legal rights for citizens to request public sector information. However, while almost all OECD countries have an FOI law in place (though their breadth and depth varies from country to country), in Southeast Asia, only Indonesia, the Philippines and Viet Nam have such a law.

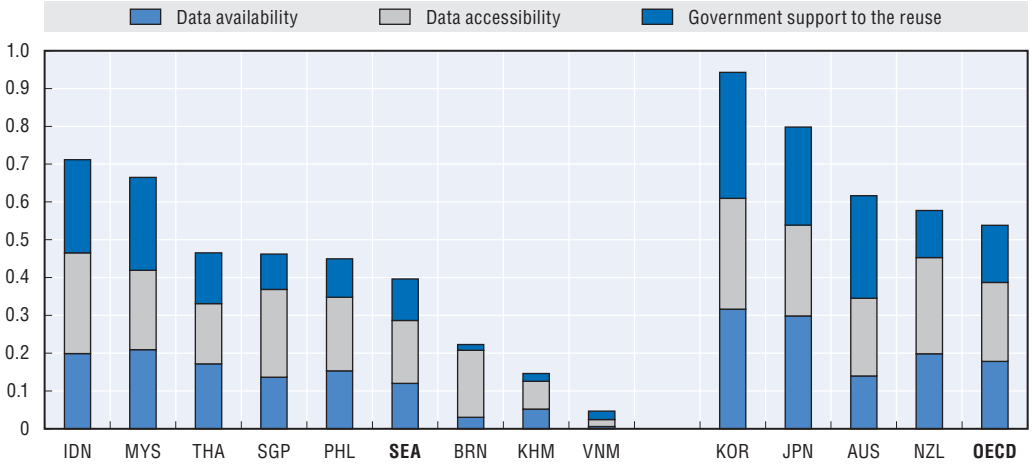
Promoting open and digital government principles, however, requires moving beyond the reactive dissemination of information, towards proactive government dissemination of information. Public transparency and government openness imply the proactive publication of open government data (OGD) that can be shared, analysed and reused on a large scale – within the framework of personal privacy and data protection legislation. This paves the way for innovative uses of government data to generate good governance value (e.g. better public services, greater public sector accountability and integrity), economic benefits (economic growth through the creation of new data-driven business lines) and social value (citizen engagement, data-driven journalism and civic tech).

OGD offers new opportunities to empower citizens, businesses, civil society organisations, researchers and journalists through the enhanced access and reuse of data. As a result, many OECD countries are using OGD to fuel an ecosystem that can provide innovative services and policy solutions through private entrepreneurial and civic efforts (e.g. by creating apps that rely on government data or accessing open data in an automated way through application programming interfaces to better monitor public procurement).

The OECD OURdata Index measures government efforts to design and implement open data policies and initiatives based on the availability, accessibility and government support to promote the reuse of open government data. It builds on the OECD analytical framework for open data policies which is also connected with the principles of the International Open Data Charter. Therefore, the OURdata Index stands as a policy instrument that helps countries assess their relative strengths and identify potential areas for action.

Half of the eight SEA countries that responded to our survey have no formal requirements for all public sector organisations to make their data open by default (see Chapter 6 on open government). Despite concrete actions in some SEA countries to release some high-value government datasets as open data, further efforts could be made to ensure that the necessary pre-requisites to foster greater levels of data availability are in place. Most SEA countries do not have initiatives to promote OGD reuse either within or outside the public sector. Governments could aim to further monitor the implementation of OGD policies and assess their economic and social impact. Although SEA governments have begun implementing some OGD initiatives, their efforts still seem to be at nascent stages. There could be a greater focus on establishing policies that will ensure and promote higher levels of data availability, safeguard accessibility, and, above all, bring governments to support greater data reuse within and outside the public sector.

Figure 1.3. **Open-Useful-Reusable Government Data (OURdata) Index, 2018**



Note: The OECD average is based on 32 OECD countries. Data are not available for Hungary, Iceland and Luxembourg.
Sources: For SEA countries, OECD (2018) Open Government Data Survey. For OECD countries, OECD (2017) Open Government Data Survey.
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Public transparency and accountability

Two aspects of public transparency and accountability are important in considering a citizen-centric approach. One is measuring the extent to which government processes and policies are accessible to citizens, and the other concerns lobbying, undue influence and corruption.

On the first aspect, making government processes and policies accessible to citizens, SEA countries show some signs of having transparent processes in place, though challenges still exist. One key aspect is budget transparency. The budget is one of the areas in which parliament, citizens and non-government organisations can hold the government to account. Having transparency in how public funds are used is thus imperative for fostering responsibility and integrity, as well as promoting an open and inclusive budget process. While all SEA countries make certain parts of the budget public, only half release the methodology and economic assumptions underlying the fiscal projections (Table 1.2). Very few countries in the region (30%) currently publish sensitivity analyses, a common practice in most OECD countries.

Making public a citizens' budget is also an important way of helping citizens and non-government organisations understand the process and assess the impact of the budget on their own circumstances, and thus of promoting inclusiveness. The majority (80%) of SEA countries publish citizens' guides to the budget, explaining key information in plain language. On the other hand, while most of the countries produce long-term revenue and expenditure perspectives, only the Philippines makes this document publicly available, a stark contrast to OECD countries, where three-quarters (73%) do so (see Chapter 4 on budgeting).

Table 1.2. **Budgetary information made publicly available, 2018**

	Budget proposal	Budget approved	Methodology and economic assumptions for establishing fiscal projections	Sensitivity analyses of fiscal and/or macroeconomic models	Budget circular	Independent reviews/analyses of macroeconomic and/or fiscal assumptions	Pre-budget report	Long term perspective on total revenue and expenditure
Brunei Darussalam	○	●	○	○	○	○	○	x
Cambodia	○	●	●	●	●	●	●	○
Indonesia	●	●	●	●	●	x	●	○
Lao PDR	●	●	○	○	●	○	●	○
Malaysia	●	●	○	○	●	x	x	○
Myanmar	○	●	○	○	○	●	○	○
Philippines	●	●	●	●	●	x	●	●
Singapore	●	●	○	○	○	○	x	○
Thailand	●	●	●	○	●	●	○	○
Viet Nam	○	●	●	x	●	x	●	x
SEA Total								
● Publicly available	6	10	5	3	7	3	5	1
○ Not publicly available	4	0	5	6	3	3	3	7
x Not applicable	0	0	0	1	0	4	2	2
Australia	●	●	●	●	○	●	○	●
Japan	●	●	●	●	●	●	●	x
Korea	●	●	●	○	●	○	x	●
New Zealand	●	●	●	●	○	●	●	●
OECD Total								
● Publicly available	33	33	28	24	20	28	23	24
○ Not publicly available	0	0	5	6	12	1	5	1
x Not applicable	0	0	0	3	1	4	5	8

Note: OECD total is based on responses by 33 OECD countries due to missing data for the United Kingdom and the United States.
Sources: For SEA countries, OECD (2018) Budget Practices and Procedures Survey for Asian Countries. For OECD countries, OECD (2018) Budget Practices and Procedures Survey.

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Another way in which budget transparency is ensured is by legislative scrutiny in plenary and in committee, which provides an opportunity to raise public awareness of the government's spending priorities and policy objectives. Until recently, this has been fairly limited in the region, and is still in

development, as only four countries have parliamentary budget offices (PBOs) or specialised research units, and only five countries have specialised budget/finance committees. These resources are needed in the parliament to have adequate analytical resources and to redress the capacity imbalance between the legislature and the executive (see Chapter 4 on budgeting).

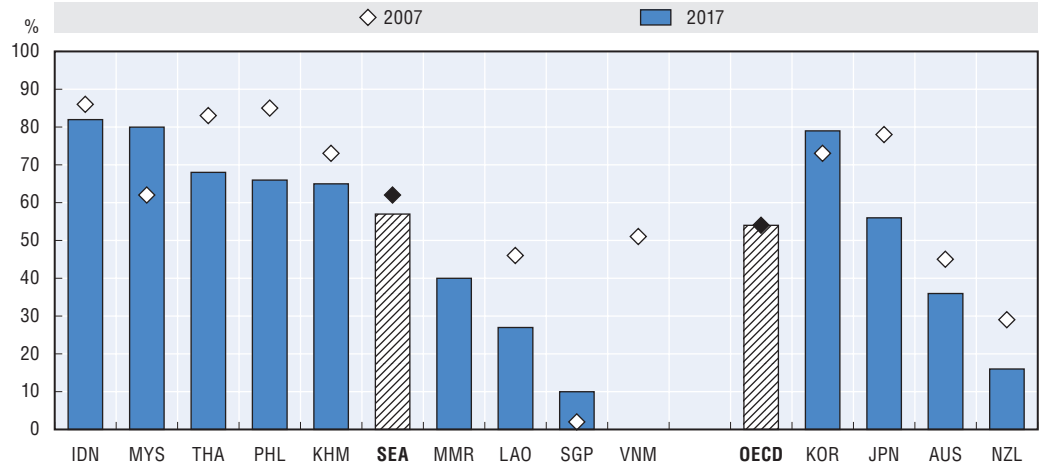
The second aspect is lobbying, undue influence and corruption; public decision-making processes can be vulnerable to influence by vested interests. Efforts to take a more citizen-centric approach will not work in practice if stakeholders do not have fair and equitable access to the decision-making process. As OECD research has shown, inclusive growth means producing policies that avoid the concentration of resources in the hands of a few. An open and transparent policy-making process helps ensure that resources are not captured for designing and implementing policies that would exacerbate inequality.

Vested interest groups can wield influence through various means such as public consultation, lobbying and providing financial resources to political parties and campaigns (OECD, 2017d). In Southeast Asia, political finance is a central issue, as "clientelistic" networks still serve an important function – gifts are exchanged for political support, dynasties and wealthy families control political parties, and business and politics are intertwined to a greater extent than in OECD countries (Ufen, 2017). The public is more aware of this corruption due to the media, creating additional pressure on SEA countries to regulate political finance. One source of proposals for how to do so is the OECD's Framework on Financing Democracy (OECD, 2016b), which maps relevant risk areas and provides policy options for promoting a level playing field, transparency and integrity in the financing of political parties and electoral campaigns.

Regarding lobbying, when conducted with transparency and integrity, lobbying yields useful information for decision makers. However, it can also lead to undue influence, unfair competition and policy capture to the detriment of the public interest and effective public policies (OECD, 2014). The OECD Recommendation of the Council on Principles for Transparency and Integrity in Lobbying provides guidance for decision makers on how to promote good governance in lobbying and ensure that public decisions reflect constituents' various views and safeguard the public interest.

Moreover, most SEA countries sit in the bottom half of 176 countries in Transparency International's Corruption Perceptions Index 2016. When it comes to citizens' perceptions, a majority (57%) in the SEA countries for which there are data believe that corruption is widespread throughout the government in their country (Figure 1.4). However, this perception in most SEA countries is less prevalent than it was in 2007 on average (62%), with the number declining in all countries except for Malaysia and Singapore (Figure 1.4).

Figure 1.4. **Perception of government corruption, 2007 and 2017**



Notes: Data correspond to the percentage of "Yes" answers to the question: "Is corruption widespread throughout the government in this country, or not?"; Data for Malaysia are for 2015 rather than 2017. Data for Lao PDR are for 2008 rather than 2007. Data for Myanmar and Viet Nam are not included in the SEA average due to missing time series.
Source: Gallup World Poll (database).

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Addressing corruption issues linked to unaccountable governments, lack of oversight, shrinking civil society spaces, and high-profile corruption scandals involving political finance can have an impact on public trust in government. Transparency in policy making correlates positively with trust in politicians and negatively with the level of perceived undue influence (World Economic Forum, 2017).

A strategic and sustainable response to corruption also places public integrity at its core. Building an integrity system in the public sector is a critical component not only for preventing corruption but also for safeguarding democratic institutions and the rule of law. The OECD Recommendation of the Council on Public Integrity (2017) provides a strategy for organisations to create whole-of-society public integrity systems, with an emphasis on promoting a cultural change.

The Recommendation incorporates much of the existing knowledge on integrity, including the development of conflict-of-interest management frameworks as a tool to avoid policy capture and strengthen individual resilience against corruption. Such frameworks usually encompass private interest disclosure by decision makers, follow-up of disclosures and enforcement in case of non-compliance. The *OECD Guidelines for Managing Conflict of Interest* (OECD, 2003) set out core principles for public officials seeking to identify and manage conflict-of-interest situations: serving the public interest, supporting transparency, promoting individual responsibility and creating an organisational culture that resists undue influence and policy capture.

Using a mix of these policy measures to promote a culture of integrity in the public and private sectors can help curb the risks of policy capture and contribute to a stable foundation for citizen-centric policy making and inclusive growth.

A civil service that responds to and anticipates citizens' needs

In addition to service quality, openness and transparency, citizen-centricity is linked to a competent civil service that can deliver and innovate to respond to changing needs. This means that the civil service make-up must reflect wider society in its diversit and that the civil service should be professional, strategic and innovative in order to anticipate, listen and adapt to citizens' wants and preferences.

The importance of gender equality

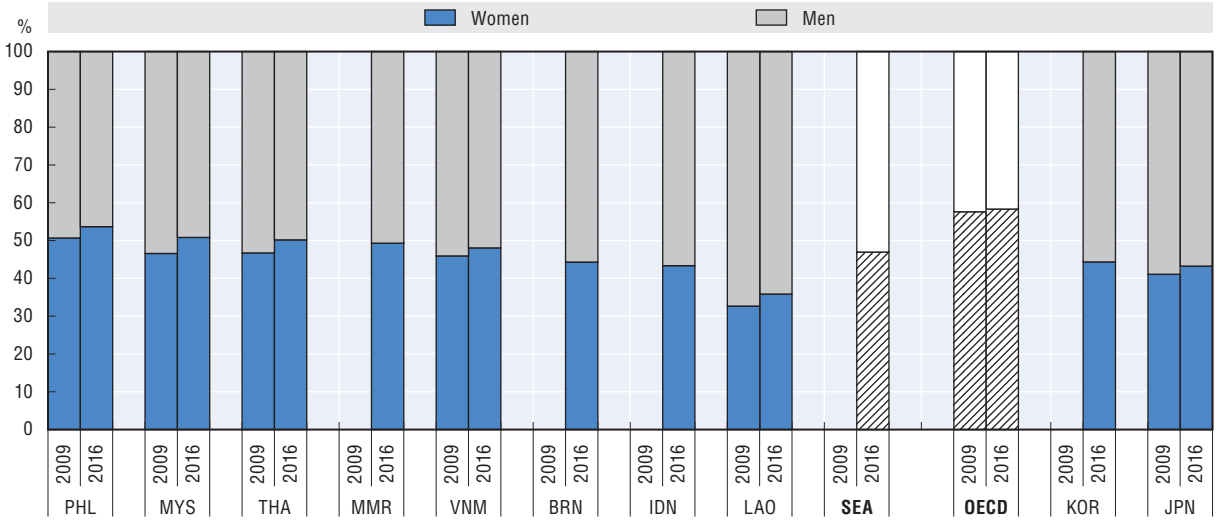
Governments are increasingly recognising the importance of having a civil service workforce that reflects society, to ensure that the needs, aspirations and experiences of a diversity of citizens are reflected in decision making and that barriers and gaps in service delivery can be better understood (OECD, 2015). Public sector employment frameworks can help governments to achieve that goal. A more representative public sector can better access previously overlooked knowledge, perspectives and networks, leading to improved policy development and implementation. It also better understands and serves the needs of marginalised groups.

In OECD countries, the notion of which groups should be represented in the public sector, and to what extent, has expanded to become more inclusive over time (Pitts and Wise, 2010). These groups tend to include women; racial, ethnic and religious minorities; the poor; the elderly; the disabled; and other minority groups such as indigenous populations. The long-term goal is that these groups have similar representation in the public sector workforce as in the population. Comparable data for SEA countries are available mainly for women's representation in the public sector. Overall, women are well represented in the public workforce but face significant barriers in reaching senior leadership positions.

In 2016, on average about half (47%) of the SEA public sector workforce was female (Figure 1.5). Some public sector jobs may offer more flexible working conditions to allow for a greater work-life balance. In some countries, there are also greater benefits or more stable employment than in the private sector. In all the SEA countries for which there are data in 2009 and 2016, the trend is that the share of women in the public sector workforce has increased over time, at a faster rate than in OECD countries, though the latter had a higher starting point. On average, the proportion of women in public sector employment is lower in Southeast Asia than in OECD countries, although it is comparable to the two OECD countries in

the region for which there are data, Korea and Japan (nonetheless, it is worth noting that these are the two countries with the lowest rates among OECD countries). The public sector has, on average, the same share of women employed as in the total economy (Figure 1.6). This is different from the trend witnessed in OECD countries, where there is a higher share of women in the public sector.

Figure 1.5. **Share of public sector employment filled by women and men, 2009 and 2016**

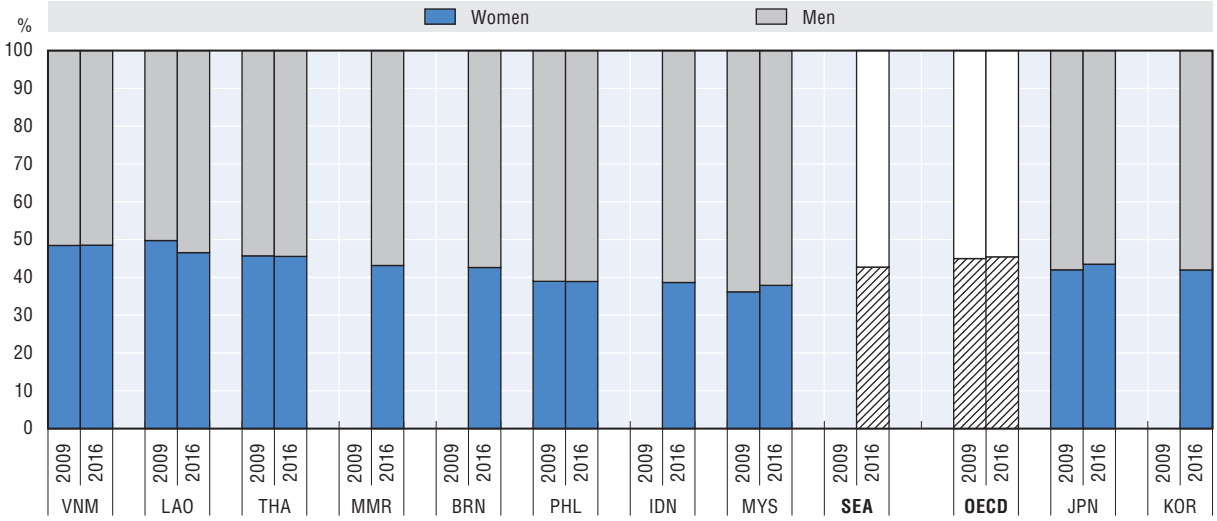


Note: Data for Lao PDR: 2010 rather than 2009, 2017 rather than 2016. Brunei Darussalam: 2014 rather than 2016. Korea and Myanmar: 2015 rather than 2016. Thailand: 2010 rather than 2009.

Sources: International Labour Organization (ILO) ILOSTAT (database), Employment by sex and institutional sector. Data for Korea were provided by national authorities.

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Figure 1.6. **Share of employed women and men in total employment, 2009 and 2016**



Note: Data for Lao PDR: 2010 rather than 2009, 2017 rather than 2016. Brunei Darussalam: 2014 rather than 2016. Korea and Myanmar: 2015 rather than 2016. Thailand: 2010 rather than 2009.

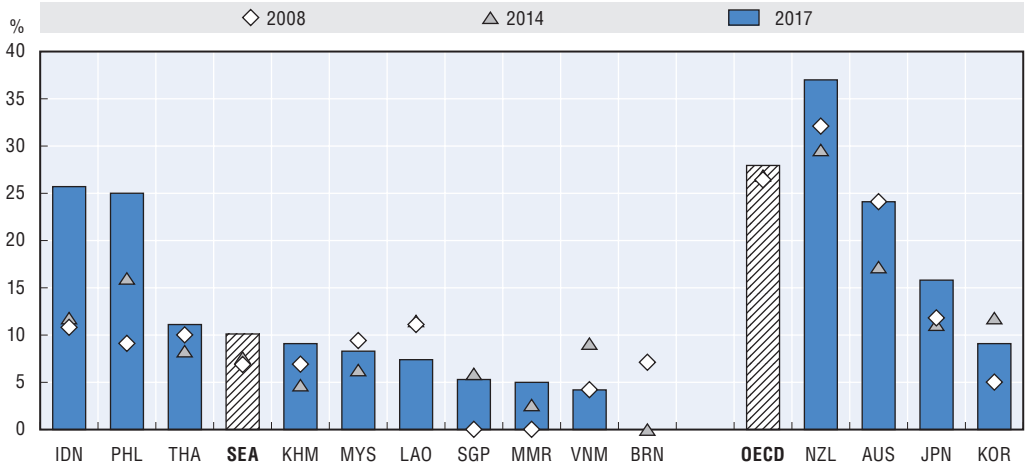
Sources: International Labour Organization (ILO) ILOSTAT (database), Employment by sex and institutional sector. Data for Korea were provided by national authorities.

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However, the gender imbalance found in senior levels of central government considerably limits the role of women in the decision-making process. In 2017, on average, women held only 10% of ministerial positions in SEA countries. While on average all SEA countries are far from having equal representation

reflecting women's share of the population, the proportion of women ministers varies somewhat in the region (Figure 1.7). When it comes to women ministerial representation, SEA countries are some way behind the OECD average (28%), including that of the OECD countries in the region.

Figure 1.7. **Share of women ministers, 2008, 2014 and 2017**



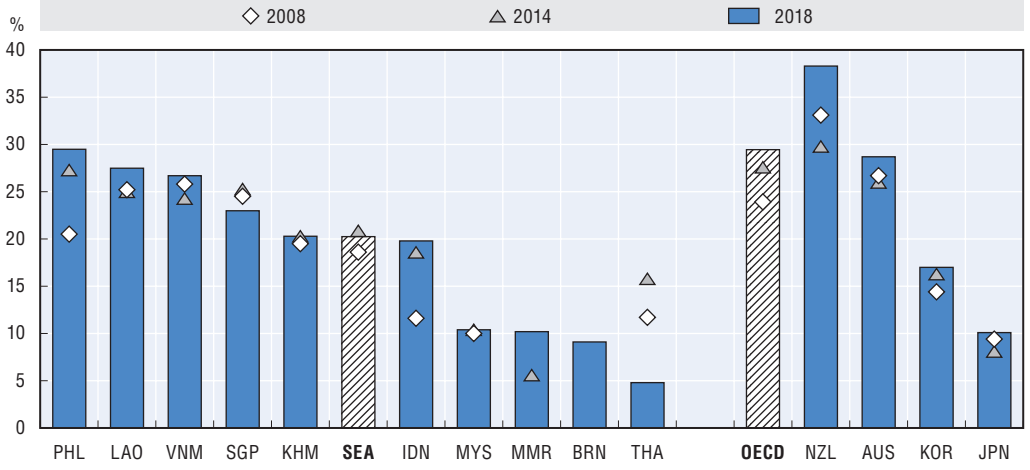
Notes: Data represent women appointed ministers as of January 1 of each year of reference. The total includes Deputy Prime Ministers and Ministers. Prime Ministers/Heads of Government were also included when they held ministerial portfolios. Vice-Presidents and heads of governmental or public agencies have not been included.
Source: Inter-Parliamentary Union (2017, 2014 and 2008) "Women in Politics".

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The share of women parliamentarians in the lower or single house of parliament is on average double that of women ministers, at 20% in 2018 (Figure 1.8). However, the composition of these assemblies remains a long way from parity. None of the countries comes close, although there is wide variation in the region.

Figure 1.8. **Share of women parliamentarians, 2008, 2014 and 2018**

Lower or single house of parliament



Notes: Data refer to share of women parliamentarians recorded as of 1 June of each year of reference; SEA average does not include Brunei Darussalam and Myanmar due to missing time series; Brunei Darussalam: no data for 2014 and 2008; Myanmar: no parliament in 2008.
Source: Inter-Parliamentary Union PARLINE (database).

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Collecting further, more systematic and detailed information about the composition of the public sector workforce in a comparative format would help countries think more holistically about the inclusiveness of their public sectors. OECD countries use workforce composition data to help monitor

diversity and inclusion in the workforce, to do workforce planning and to help anticipate future public employment needs. Moreover, increasing women's participation and leadership in public institutions is part of the UN's Sustainable Development Goals (SDGs) 2030. SDG5 is "achieve gender equality and to empower all women and girls", and SDG16 is "promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels". Data collection, analysis and research on women's under-representation in public administration and public leadership is crucial for achieving an inclusive, just and prosperous society.

Towards a professional, strategic and innovative civil service

A citizen-centric approach to public services goes beyond efficiency and value for money. It is also about hiring and developing civil servants who are willing and know how to listen to citizen needs, have the tools (e.g. digital) to consult and respond, and who have the competencies, incentives and values to focus on outcomes and provide good quality services. They work in systems that offer support, provide them with targets and guidance, and are constantly innovating to keep up with changing needs. Moreover, civil servants face challenges that are complex and not always linear. As countries become richer, attention grows around new types of issues (e.g. environmental awareness), so achieving quality outcomes is not only about providing quality services, but also about getting the mix of services and of policy right.

The goal of the ASEAN Cooperation on Civil Service Matters (ACCSM) Work Plan 2016-2020 is to "build and sustain a high performing, dynamic and citizen-centric civil service" speaks directly to this challenge. The ACCSM has two key objectives for achieving its goal: 1) strengthening civil servants' capacity to respond with innovative approaches and collaboration, and 2) developing an enabling environment for responsive, open and adaptive ASEAN civil services.

To respond to policy challenges and deliver services effectively, having a professional civil service is fundamental. This means that civil servants are qualified, impartial, values-driven and ethical. Addressing complex horizontal challenges such as the SDGs, and building capacity for effective decentralisation requires strategic skills. Civil servants will need to encourage collaboration, manage risks, and to have foresight and resilience. Strategies to achieve this depend on the type of civil service system in a given country. While there is a mix of position-based and career-based systems in the region (see Chapter 5 on human resources management), more centralised governance systems tend to have career-based systems, which may help build a dedicated and experienced group of civil servants. Countries with more position-based systems, on the other hand, tend to be more flexible and capable of adjusting their workforce needs, although may experience challenges in maintaining cross-government values. In both cases, these systems need to build the values and skills required to respond to complex governance demands while focusing on their attractiveness relative to the overall labour market, the quality and integrity of recruitment mechanisms, and their ability to inculcate public service values into private sector hires while learning from the new skills and techniques that they bring.

Being able to address complex problems, particularly in the digital age, requires civil servants to have the right skills, knowledge and behaviours. Competency management helps governments understand the abilities needed for a given position, and creates a standard against which to measure effective employee performance. Integrating competencies into a framework used to select, develop and promote civil servants is essential for strategic workforce planning. Competency management is a high priority in most SEA countries, and most of them also have competency frameworks for senior managers and civil servants. Embedding learning in public service culture and values requires not only competency frameworks and training programmes, but also competency development as a core responsibility of public managers. However, digital competencies are severely under-prioritised in the region, and workforce development is among the lowest priorities for senior civil servants (Table 1.3).

Table 1.3. **Digital competencies as a priority for the civil service and employee development as a senior civil service competency, 2018**

	Digital competencies mentioned in competency frameworks	Employee development is a key competency for SCS
Brunei Darussalam	○	○
Cambodia	○	○
Indonesia	○	○
Lao PDR	○	○
Malaysia	○	●
Philippines	○	●
Singapore	●	●
Thailand	●	●
Viet Nam	○	○
SEA Total	2	4
Australia	○	○
Korea	○	○
Japan	○	○
New Zealand	..	●
OECD Total	13	11

Key:
Yes = ●
No = ○

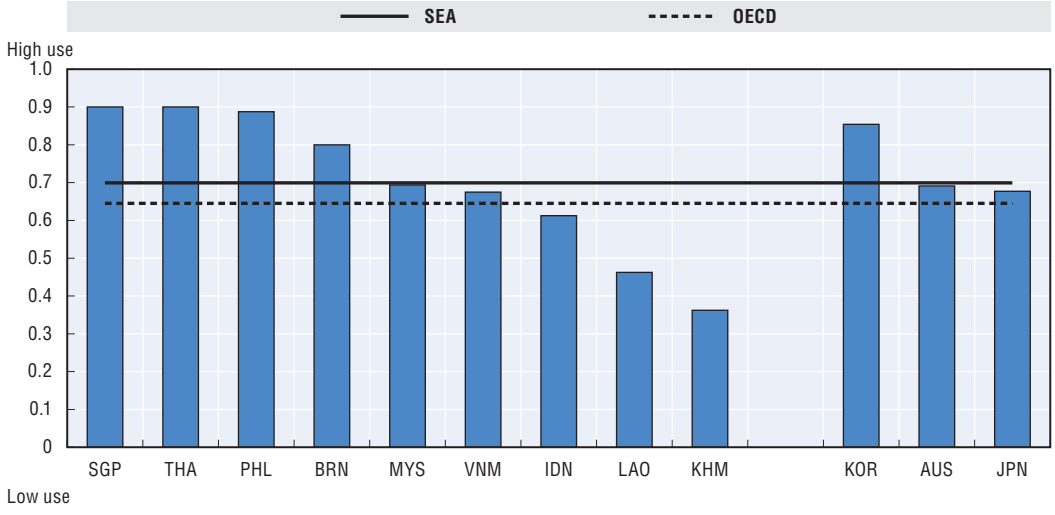
Note: Data refer to 2016 for OECD countries.

Sources: For SEA countries, OECD (2018) Strategic Human Resources Management Survey. For OECD countries, OECD (2016) Strategic Human Resources Management Survey.

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Once in the civil service, performance assessment practices can be a critical tool for delivering value for money and encouraging more citizen-centric behaviour by civil servants. Most SEA countries have formal performance assessment in place for all or almost all central government employees. These data tend to be collected and aggregated centrally, in contrast to OECD countries, where this is usually done at the ministry level. Performance-related pay (PRP) is also a common monetary incentive to promote desired behaviours; some form of it, such as one-off performance bonuses, permanent pay increments and promotions, is used in six countries in the region (Figure 1.9). PRP is not a necessary element of a successful performance system. When PRP is based on an inefficient performance system, it can contribute to reducing employee motivation and engagement.

Figure 1.9. **Extent to which performance-related pay is used in central government, 2018**



Sources: For SEA countries, OECD (2018) Strategic Human Resources Management Survey. For OECD countries, OECD (2016) Strategic Human Resources Management Survey.

StatLink https://doi.org/10.1787/888933840380

Ultimately, a citizen-centric government requires an innovative civil service. A working environment that enables innovation is, therefore, a critical component of building citizen-centricity. Individual employees do not work in a vacuum, but within an organisational structure and culture that may support or hinder innovation (OECD, 2017f). Many OECD countries are now considering ways to better measure and manage employee engagement to assess the health of public sector bodies. This can be achieved, for example, through regular employee surveys and benchmarking results. While most SEA countries collect standardised administrative HR data, which can help countries improve strategic civil service management and diversity, many do not conduct employee surveys (Table 1.4). This is something that SEA countries could consider implementing as well.

Table 1.4. **Employee surveys in central government, 2018**

	Are employee surveys conducted?	
	Centralised surveys across the whole central public administration	Government ministries/agencies conduct their own surveys
Brunei Darussalam	○	●
Cambodia	○	○
Indonesia	○	●
Lao PDR	○	○
Malaysia	●	●
Philippines	○	●
Singapore	●	●
Thailand	●	○
Viet Nam	○	○
SEA Total		
Yes = ●	3	5
No = ○	6	4
Australia	●	●
Korea	●	○
Japan	○	○
New Zealand	○	●
OECD Total		
Yes = ●	19	19
No = ○	16	16

Note: Data refer to 2016 for OECD countries.

Sources: For SEA countries, OECD (2018) Strategic Human Resources Management Survey. For OECD countries, OECD (2016) Strategic Human Resources Management Survey.

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Research shows that investing in civil servants' human capital and engagement can have a direct effect, not just on organisational performance, but on citizen perceptions and trust in government (OECD, 2016a). Surveys could be useful for assessing performance-related indicators, and for evaluating employee satisfaction and work engagement. Regular employee engagement surveys could help identify the aspects of civil service jobs that employees prefer and that make the public sector more attractive as a workplace.

Outcomes of a citizen-centric approach

The final chapter in this publication offers a preliminary analysis of how Southeast Asian countries are faring in promoting access, responsiveness and quality of services to citizens based on the OECD Serving Citizens framework. Indicators in this section were chosen according to policy relevance, data availability and data interpretability. Although data are currently somewhat limited in the region, the framework suggests to countries what data would be useful to collect in order to measure and compare citizen-centricity.

Overall, citizens in SEA countries report being fairly satisfied with public services, more so than in OECD countries, based on *Gallup World Poll data* for 2017. On average, a large majority (79%) are satisfied with the quality of health care in the area or city where they live, and an even larger majority (83%) report being satisfied with their education system and schools in 2017. Reported confidence levels with

the judicial systems and courts are lower (69% on average in 2017); however, they have increased by six percentage points since 2007. For each of these three areas, there is heterogeneity in the region.

This may be for a number of reasons. Some caution must be exercised because the data are drawn from a perception-based survey, which asks about satisfaction with services overall, without disaggregating different types of services and elements of public service delivery (access, responsiveness and quality). The sample size is also relatively small (1000 representative citizens in each country) and population in major urban centres is overrepresented as a result of oversampling or exclusion of some rural areas. There is also some variation in the region regarding the extent to which services are provided by the public or the private sector. In some SEA countries, the extension of access to public services has been quite recent, also potentially affecting citizen satisfaction in the short term. However, as SEA countries have growing middle classes, who tend to have rising expectations about quality, developing a more detailed evidence base of citizen access, responsiveness and quality of education, health and justice services would be a useful measure.

Conclusion

Creating conditions for a citizen-centric approach to achieving inclusive growth has many implications for Southeast Asian governments. One element is building a government workforce which is reflective of wider society, with greater women's representation, particularly in senior management and political leadership positions. Governments could also focus on developing the strategic and innovative capacity of their civil servants, investing in human capital and employee engagement, which have been shown to have a direct impact on citizen trust. It could also mean developing policies in innovative ways with new digital tools, policies based on evidence, constructive dialogue and citizen participation, which promote transparency and accountability. The fight against corruption is also an important challenge in the region.

The evidence on the available strategies and tools is incomplete, and more data is required to build a holistic picture of the relationship between citizen-centric government action and inclusive growth. However, there is a greater awareness that the stakes are high for establishing citizen trust in government and improving policy effectiveness. Widening access to public services and strengthening the quality of services provided will not only have a direct impact on outcomes such as educational attainment and life expectancy, but will also improve social inclusiveness and cohesion, citizen satisfaction, and labour market opportunities, reducing gender gaps. To get a better understanding of the public sector's impact on inclusive growth in Southeast Asia, governments need to continue probing in this direction, while collecting more of the necessary evidence to inform their actions.

Box 1. **Next steps: From citizen-centric to citizen-driven**

In OECD countries, there has been a move away from top-down assumptions about what citizens want (*citizen-centric approaches*), towards empowering citizens by engaging them to define their own needs and to collaborate with governments in addressing them (*citizen-driven approaches*) (OECD, 2017e).

New methods such as "systems thinking", also called "design thinking", have helped make this citizen-driven approach to public service design and delivery a reality. "Systems approaches" are a set of iterative processes, methods and practices that aim to affect systems change by involving all affected actors inside and outside government (OECD, 2017a; OECD, 2017b).

What does citizen-driven mean?

- a human-centred approach that begins with people (citizens, businesses, civil servants) – their needs, aspirations and behaviours.
- problem-solving characterised by curiosity and empathy, seeking to interpret how people engage with their world.
- collaborative engagement with service users to better grasp the tough challenges that people face in their daily lives and involve them in developing solutions.

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Chapter 2

Public finance and economics

A country's fiscal balance is the difference between government revenues and expenditures. A fiscal deficit occurs when, in a given year, a government spends more than it receives in revenues. When fiscal deficits occur recurrently, the shortages are offset with debt accumulation. Over time, growing debt levels increase the burden of capital and interest payments and could send negative signals to international financial markets, affecting the sustainability of public finances. A complementary indicator of a country's fiscal situation is the primary balance: the difference between the fiscal balance and the primary balance reflects the relative weight of interest payments within government accounts.

In 2009 the average deficit in SEA countries reached 2.73% of GDP. This fell to 1.79% in 2016, but still indicates a weaker fiscal position than in 2007, when on average SEA countries were close to having balanced budgets (average deficit 0.19%). The 2009-16 SEA fiscal balance improvements can be explained by relatively high levels of economic growth, e.g. higher than OECD member countries (average deficit 2.8% in 2016), allowing room to maintain a growing pattern of nominal expenditures. In turn, a positive trade balance (difference between exports and imports), high investment levels and resilient domestic consumption have triggered growth in SEA countries.

Still, the latest available data show a wide variation in the fiscal balance across SEA countries, from a deficit of 21.5% in Brunei Darussalam to a surplus of 3.26% in Singapore in 2016. Both are influenced by changes in the global economic landscape; Brunei Darussalam was affected by the steep slide in energy (i.e. oil and gas) prices, and Singapore is benefitting from the upswing of manufacturing and trade-related services, reflected in an even higher fiscal balance figure in 2017 (a surplus of 5.97% of GDP).

A negative primary balance means that further debt must be contracted to finance interest payments. According to 2016 data, SEA countries experienced an average primary deficit of 0.56% of GDP and interest payments amounted to 1.24% of GDP, lower than the OECD average (2.01%), but higher than OECD neighbouring countries (i.e. Australia, Japan, New Zealand and Korea). In general, SEA countries have conducted expansionary fiscal policies recently to finance the infrastructure spending needed to keep up the pace of economic growth. While SEA countries' overall fiscal positions are stable, reducing the primary deficit would strengthen fiscal sustainability and increase resilience to future economic shocks. Like the 2009-16 period, further reductions of the primary balance and net interest payments are expected for most SEA countries in the years ahead.

Yet not all SEA countries are running primary deficits. In 2016, Singapore (2.33%), the Philippines (1.46%) and Thailand (0.97%) experienced primary surpluses; while Brunei Darussalam (21.48%), Viet Nam (4.33%) and Lao PDR (3.55%) ran the largest primary deficits. Brunei Darussalam has a small debt and relies substantially on reserves to fund financial resource shortages. In 2009-16, both Viet Nam and Lao PDR had a persistent gap in public finances (i.e. public expenditures growing faster than public revenues; see sections 2.4 and 2.6) and a consequent high reliance on public debt.

Methodology and definitions

Data are drawn from the IMF World Economic Outlook (WEO) database (April 2018), based on the *Government Finance Statistics Manual* (GFSM). The GFSM provides a comprehensive conceptual and accounting framework suitable for analysing and evaluating fiscal policy. It is harmonised with other macroeconomic statistical frameworks, such as the System of National Accounts (SNA). However, some differences between the GFSM and the SNA in several instances have led to the establishment, to a large extent, of correspondence criteria between the two statistical systems. The GFSM and SNA frameworks have been revised recently and countries have implemented several statistical standards. The fiscal balance signals whether a government is either putting financial resources at the disposal of other sectors, or using the financial resources generated by other sectors. The primary balance is the fiscal balance excluding net interest payments on general government liabilities (i.e. interest payments minus interest receipts). For the OECD countries and average, data are from the OECD National Accounts Statistics database, which is based on the SNA framework.

Further reading

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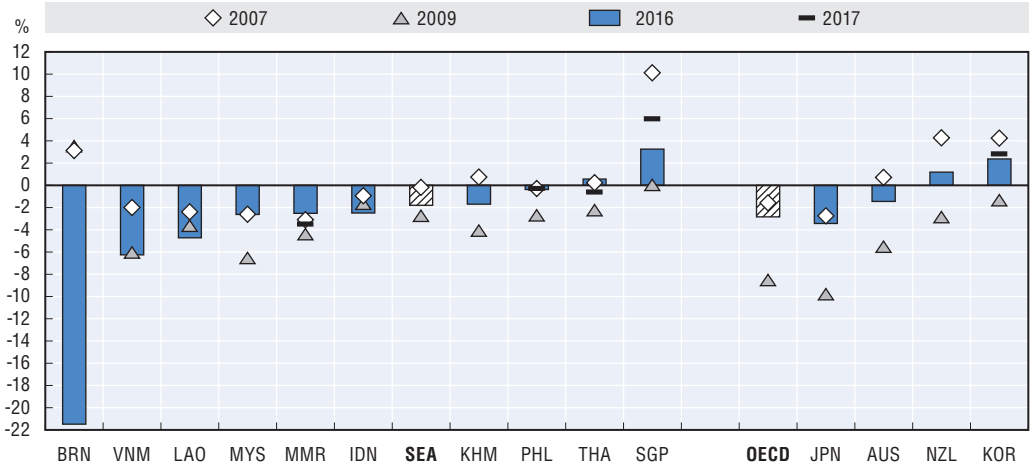
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Figure notes

2.2: In Brunei Darussalam, with the absence of net interest payments, the primary balance also represents the overall fiscal balance. Net interest spending for Singapore is based on the IMF (October 2017) World Economic Outlook database.

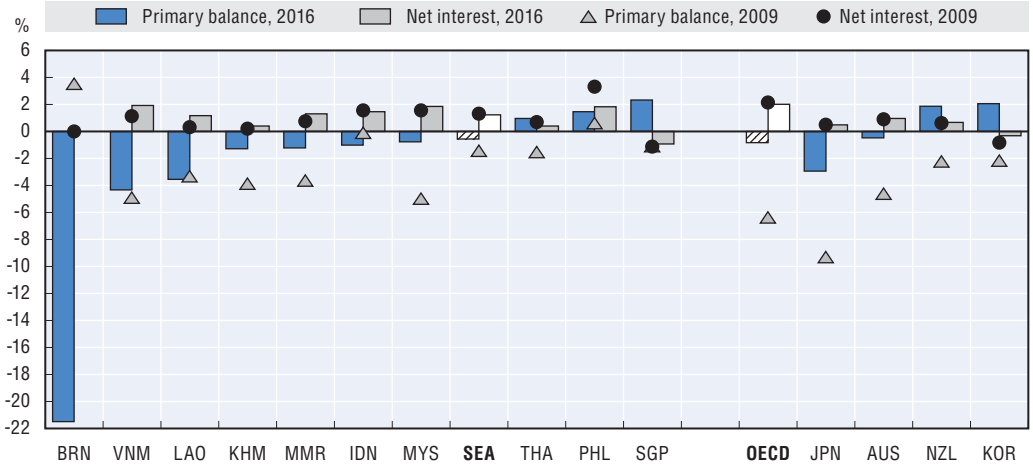
2.1. General government fiscal balance as a percentage of GDP, 2007, 2009, 2016 and 2017



Sources: For SEA countries, IMF (April 2018) World Economic Outlook database. For OECD countries, OECD National Accounts Statistics (database).

StatLink https://doi.org/10.1787/888933840437

2.2. General government primary balance and net interest spending as a percentage of GDP, 2009 and 2016



Sources: For SEA countries, IMF (April 2018) World Economic Outlook database. For OECD countries, OECD National Accounts Statistics (database).

StatLink https://doi.org/10.1787/888933840456

Recording transitory factors, such as shocks to commodities prices, variations in housing prices or one-off transactions (e.g. privatisation), affects a country's fiscal balance; this could give a distorted picture of its underlying fiscal position. Analysing indicators that are not influenced by temporary fluctuations helps policy makers identify the underlying trend of fiscal policies associated with long-term public finance sustainability. The structural fiscal balance aims to capture these trends in order to assess fiscal performance.

In 2016, SEA countries had an average structural deficit of 1.5% as a share of potential GDP. This decreased to 1.3% in 2017, signalling an overall improvement of the SEA region's structural fiscal position in those 12 months. Australia and Korea also reported structural fiscal balance improvements. The difference between the average structural (1.5%) and current (1.8%) deficits in SEA signals that recording the current balance reflects the influence of temporary shocks, and explains the subsequent improvement of the structural fiscal position in 2017.

Since 2007, when average structural deficits in SEA countries were almost non-existent (i.e. at 0.01% of GDP), average deficits as a share of potential GDP have increased; Singapore alone has maintained a fiscal surplus. This reflects SEA countries' public investment spending growing faster than the overall economy. It contrasts with OECD countries, where structural deficits have fallen from 3.1% of potential GDP in 2007 to 2.2% in 2017, after a peak of 6.3% in 2009. In OECD countries, most adjustment came from public spending cuts, including public investment – sinking on average by 0.73 p.p. in 2008-16 (see section 2.8 on government investment spending).

Structural balance projections as a share of GDP in the SEA region show average deficits of 1.6% in 2018, and 1.7% in 2019, as a share of potential GDP. These are less than for OECD countries (2.8% in 2018 and 3.2% in 2019). In 2017-19, structural primary balances are expected to fall in the region by an average of 0.4 p.p. as a share of potential GDP. These projections are based on expectations that in the near term, macroeconomic fundamentals in SEA countries will remain stable as growth remains strong, thanks to robust domestic private spending and planned infrastructure implementation.

However, projected changes vary, from a drop of 4.1 p.p. of potential GDP in Singapore to a rise of 0.5 p.p. in Malaysia. In 2016-17 Malaysia was the only country whose fiscal position worsened slightly, from a structural deficit of 2.9% of GDP up to 3.1%. Despite a commitment to fiscal consolidation, external uncertainties – plus a low revenue base and expenditure needs – challenge the country's public finance sustainability. This indicates that Malaysia's fiscal problems are structural and not due to temporary shocks, although the country is planning to improve its structural balance by 0.45 p.p. since 2017. Further prioritisation of short and medium-term expenditures, and more evaluation of programme effectiveness, could help improve Malaysia's fiscal situation in the near term (OECD, 2016).

These developments imply that continued infrastructure spending is vital to maintain growth, but that good public expenditure decisions are needed to target investments and ensure that other public expenditures yield results.

Methodology and definitions

Data are drawn from the IMF World Economic Outlook (WEO) database (April 2018), based on the *Government Finance Statistics Manual* (GFSM). The GFSM provides a comprehensive conceptual and accounting framework suitable for analysing and evaluating fiscal policy. It is harmonised with other macroeconomic statistical frameworks, such as the System of National Accounts (SNA). However, some differences exist between the GFSM and the SNA in several instances, which led to the establishment, to a large extent, of correspondence criteria between the two statistical systems. The GFSM and SNA frameworks have been recently revised and several statistical standards implemented by the countries. The structural fiscal balance represents the balance as reported in the SNA and GFSM frameworks adjusted for the state of economic cycle (as measured by the output gap) and non-structural elements beyond the economic cycle (e.g. one-off fiscal operations). The output gap measures the difference between actual and potential GDP, the latter being an estimate of the level of GDP that would prevail if the economy was working at full capacity (potential GDP is not directly observable). For OECD countries and average, data are from the *OECD Economic Outlook* No. 103, which is based on the SNA framework.

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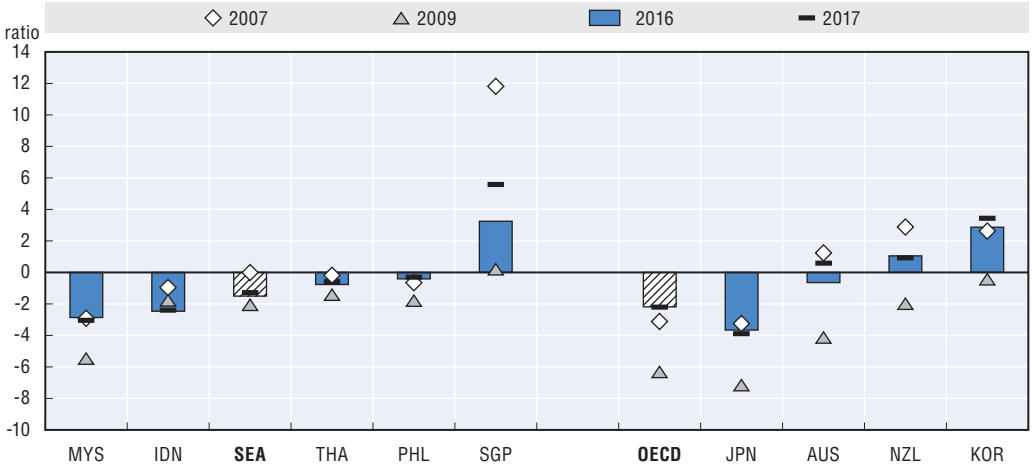
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Figure notes

2.3 and 2.4: Data for Brunei Darussalam, Cambodia, Lao PDR, Myanmar and Viet Nam are not available. Data for 2017 in some countries refer to forecasts.

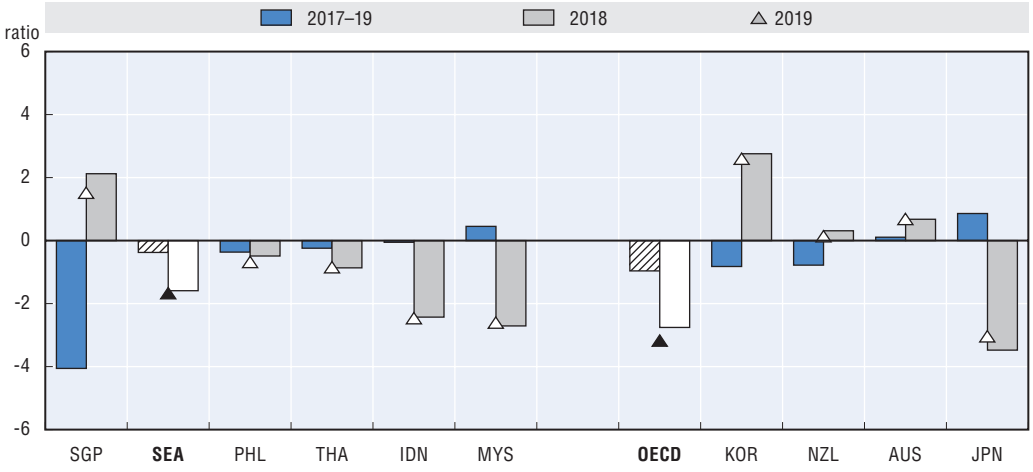
2.3. General government structural balance as a percentage of potential GDP, 2007, 2009 2016 and 2017



Sources: For SEA countries, IMF (April 2018) World Economic Outlook database. For OECD countries, OECD Economic Outlook N. 103 (database).

StatLink https://doi.org/10.1787/888933840475

2.4. General government projected structural balance as a percentage of potential GDP in 2018 and 2019 and change since 2017



Sources: Data for SEA countries, IMF (April 2018) World Economic Outlook database. For OECD countries, OECD Economic Outlook N. 103 (database).

StatLink https://doi.org/10.1787/888933840494

Debt is incurred when governments spend more than they receive. Debt represents governments' outstanding liabilities resulting from the need to finance deficits by borrowing. While debt is not negative *per se*, high levels could threaten the sustainability of public finances, sending negative signals to lenders and private investors. The size of public debt can be influenced by factors such as the exchange rate (e.g. depending on the currency in which the debt is issued) and interest rate fluctuations.

Average government debt in SEA countries was 43.1% of GDP in 2016, much lower than the OECD average (112.5%) but, except Japan (221.5%), similar to debt levels in New Zealand (51%), Korea (45%) and Australia (41%). Of SEA countries, Singapore (106.8%), Viet Nam (59.8%) and Lao PDR (58.5%) have the highest levels of government debt as a share of GDP. Debt levels were lowest in Cambodia (33.7%), Indonesia (28.3%) and Brunei Darussalam (0.7%). While Singapore's debt is relatively high, like Japan's it is exclusively internal debt. By law, money raised through debt instruments cannot be used for current expenditures and must be invested. Thus a growing set of public assets backs Singaporean debt. Brunei Darussalam has low debt levels as it relies heavily on its oil and gas reserves to fund public spending.

While OECD average debt as a share of GDP grew by 39.7 p.p. in 2007-16, in SEA countries it remained fairly stable, increasing by only 1.79 p.p. Debt grew the most in Singapore (22.1 p.p.) and Viet Nam (18.9 p.p.). In Viet Nam, despite increased revenue collection, strong spending has pushed deficits above the 3.5% upper target and may challenge government capacity to maintain its self-imposed statutory debt ceiling of 65% (IMF, 2017). In contrast, Myanmar (26.7 p.p.) and the Philippines (13.4 p.p.) reduced public debt levels in 2007-16. Keeping debt sustainable is crucial for these countries. Myanmar recently passed a public debt law and is progressing towards a medium-term expenditure framework, while the Philippines plan further consolidation efforts.

Gross debt per capita in SEA countries reached on average USD 5 018 PPP in 2016, increasing at an annual rate of 4.1% since 2007 in terms of real debt per capita, slower than OECD countries (5.5%). At USD 105 365 PPP in 2017, Singapore has the highest levels of per capita debt. The pace of debt growth varies widely in SEA countries, from an annual growth rate of 16.3% in Brunei Darussalam to reduction of 0.9% in Myanmar during 2007-16. Debt in Brunei Darussalam has grown relatively quickly, but started close to zero, so the sustainability of public finances is not under strain.

Methodology and definitions

Data are drawn from the IMF World Economic Outlook (WEO) database (April 2018), which is based on the *Government Finance Statistics Manual* (GFSM). The GFSM provides a comprehensive conceptual and accounting framework suitable for analysing and evaluating fiscal policy. It is harmonised with other macroeconomic statistical frameworks, such as the System of National Accounts (SNA). However, some differences exist between the GFSM and the SNA in several instances, which led to the establishment, to a large extent, of correspondence criteria between the two statistical systems. The GFSM and SNA frameworks have been recently revised and several statistical standards were implemented by the countries.

Debt is generally defined as all liabilities requiring payment(s) of interests or principal by the debtor to the creditor at a date(s) in the future. Thus all debt instruments are liabilities, but some liabilities (e.g. shares, equity and financial derivatives) are not debt. The treatment of government liabilities in respect of their employee pension plans varies across countries, making international comparability difficult. Under the GFSM framework, unfunded government sponsored retirement schemes are included in the debt components. In the 1993 SNA, only the funded component of the government employee pension plans are included. However, the 2008 SNA recognises the importance of the liabilities of employers' pension schemes regardless of whether they are funded or unfunded. For government employees' pensions provided by the government to their employees, some flexibility is allowed in recording unfunded liabilities in the core accounts. See more on calculating government debt per capita in general government revenues (methodology and definitions' section).

For the OECD countries and average, data are derived from the OECD National Accounts Statistics database, which is based on the SNA framework.

Further reading

Ferrarini, B. and A. Ramayadini (2015), "Public debt sustainability in developing Asia: An update", *ADB Economics Working Papers*, No. 468, ADB, Manila.

IMF (2018), "Myanmar: Debt sustainability analysis", *IMF Country Report*, No. 18/90, IMF, Washington, DC, *https://www.imf.org/external/pubs/ft/dsa/pdf/2018/dsacr1890.pdf*.

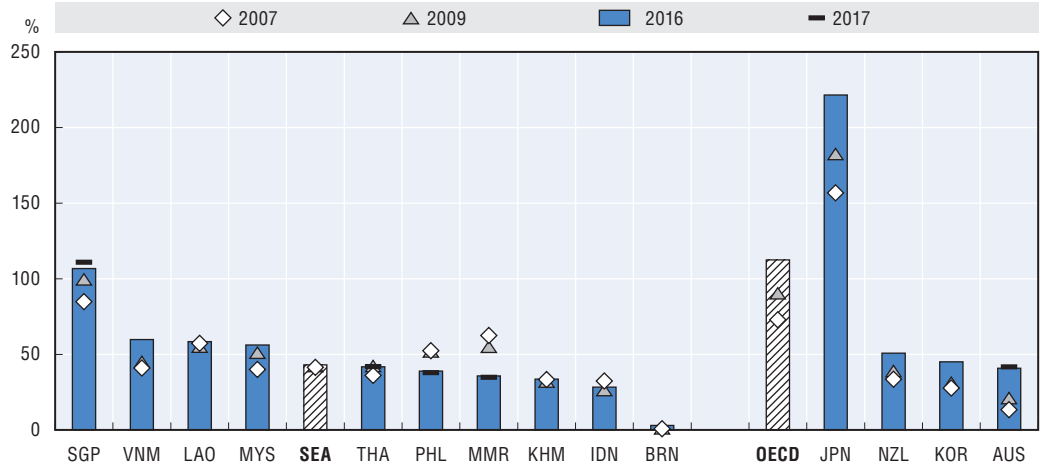
IMF (2017), "Vietnam: Selected issues", *IMF Country Report*, No. 17/191, IMF, Washington, DC.

Figure note

2.5: Unadjusted debt (i.e. including unfunded pension liabilities) for Australia is 39.1% of GDP in 2009, 68.5% of GDP in 2016 and 64.9% of GDP in 2017.

2.6: Unadjusted debt per capita (i.e. including unfunded pension liabilities) for Australia is USD 15 991 PPP in 2009, USD 32 998 PPP in 2016.

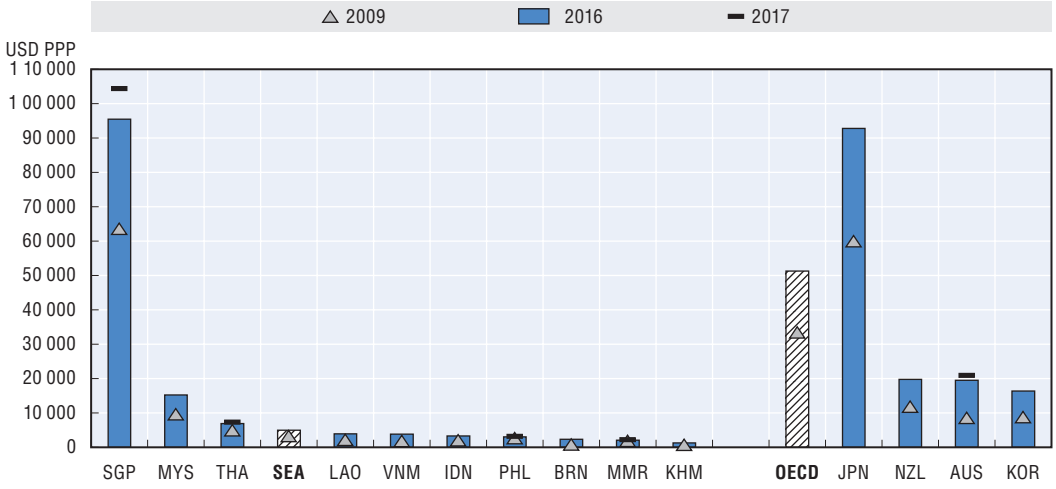
2.5. General government gross debt as a percentage of GDP, 2007, 2009, 2016 and 2017



Sources: For SEA countries, IMF (April 2018) World Economic Outlook database. For OECD countries, OECD National Accounts Statistics (database).

StatLink https://doi.org/10.1787/888933840513

2.6. General government gross debt per capita, 2009, 2016 and 2017



Sources: For SEA countries, IMF (April 2018) World Economic Outlook database. For OECD countries, OECD National Accounts Statistics (database).

StatLink https://doi.org/10.1787/888933840532

Governments raise revenues to finance the provision of goods and services, pay accruing debt and interests, and fulfil their redistributive role within and across generations. The amount raised is determined by multiple factors, such as government policies, political institutions, the endowment of natural resources, stage of economic and social development, and internal and external macroeconomic conditions. When revenue flow fluctuates substantially, governments need to manage shortages or surpluses to ensure consistent service provision over time. Revenue shortages may require raising taxes, contracting debt or consolidating expenditures; surpluses may result in further expenditure (e.g. more public investment or current consumption), constituting reserve funds or reducing taxes.

In 2016, average government revenues were 18.2% of GDP across SEA countries, significantly below the OECD average (37.8%). Viet Nam reported the highest level of government revenues as a share of GDP (23.8%), followed by Thailand (22%) and Singapore (21%). Meanwhile Brunei Darussalam, Lao PDR and Indonesia took revenues at less than 18% of GDP. Average government revenues in SEA were at 19.8% of GDP in 2007, falling by 1.6 p.p. on average for the following ten years. Reasons for this trend include the development of broad tax-incentive schemes to encourage foreign investment; a significant drop in global commodity prices; the People's Republic of China's recent economic slowdown; and a slower recovery in many OECD economies (OECD 2018; OECD 2017). New Zealand (2.9 p.p.) and Australia (0.7 p.p.) also saw reductions in the same period.

Another way to compare government revenues is to look at those collected per capita. In 2016, SEA countries took on average USD 2 121 PPP per capita. However, this masks large differences between countries in the region. Those with the highest collections were Singapore (USD 18 943 PPP) and Brunei Darussalam (USD 13 624 PPP). All other countries in the region took revenues below USD 6 000 PPP; six (Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines and Viet Nam) actually collected less than USD 2 000 PPP. By contrast, all OECD neighbouring countries took revenues above USD 12 000 PPP. However, it should be considered that there are large differences between countries' wealth (as measured by GDP per capita) both in the region and in comparison to OECD countries, as well as in the size of their population.

On average, government revenues in SEA countries increased annually by 2.7% in 2007-16, in terms of real revenues per capita. Yet, as mentioned, this increase does not necessarily mean that taxation rates in the region have increased, but rather reflects improvements of tax administrations and high levels of economic growth. Some countries are taking steps to address low levels of tax compliance, such as Indonesia's tax amnesty programmes in 2017. During 2007-16, the annual average growth rate of real government revenues was positive in all SEA countries except Brunei Darussalam, where revenues have been declining by 7.8% annually on average; triggered mainly by the drop in oil and gas prices in recent years.

Compared to OECD countries, where the average per capita revenue in 2016 was USD 16 537 PPP, the SEA region raises less revenue per capita on average. Only Singapore and Brunei Darussalam raise similar levels. However, the annual average 2007-16 growth rate was higher in SEA countries (2.7% of GDP) than in OECD countries (0.6%).

Methodology and definitions

Data are drawn from the IMF World Economic Outlook (WEO) database (April 2018), which is based on the *Government Finance Statistics Manual* (GFSM). The GFSM provides a comprehensive conceptual and accounting framework suitable for analysing and evaluating fiscal policy. It is harmonised with other macroeconomic statistical frameworks, such as the System of National Accounts (SNA). However, some differences exist between the GFSM and the SNA in several instances, which led to the establishment, to a large extent, of correspondence criteria between the two statistical systems. The GFSM and SNA frameworks have been recently revised and several statistical standards were implemented by the countries. General government consists of central government, state government, local government and social security funds. Revenues encompass taxes, net social contributions, and grants and other revenues. Government revenues per capita were calculated by converting total revenues to USD using the implied IMF purchasing power parities (PPP) conversion rates and dividing it by population. PPP is the number of units of country B's currency needed to purchase the same quantity of goods and services in country A. Gross domestic product (GDP) is the standard measure of the value of the goods and services produced by a country during a period.

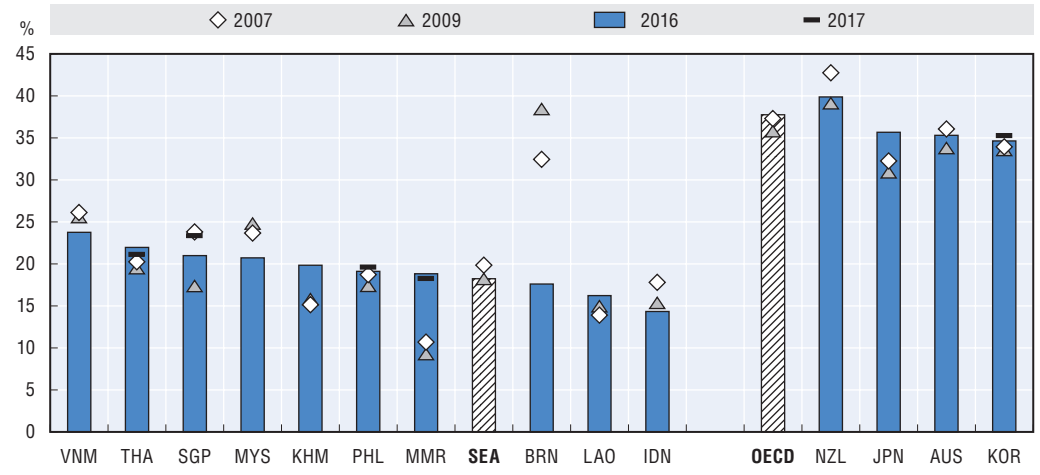
For the OECD countries and average, data are derived from the OECD National Accounts Statistics database, which is based on the SNA framework.

Further reading

OECD (2018), *Economic Outlook for Southeast Asia, China and India 2018: Fostering Growth Through Digitalisation*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264286184-en*.

OECD (2017), *Revenue Statistics in Asian Countries: Trends in Indonesia, Japan, Kazakhstan, Korea, Malaysia, the Philippines and Singapore*, OECD Publishing, Paris. *http://dx.doi.org/10.1787/9789264278943-en*.

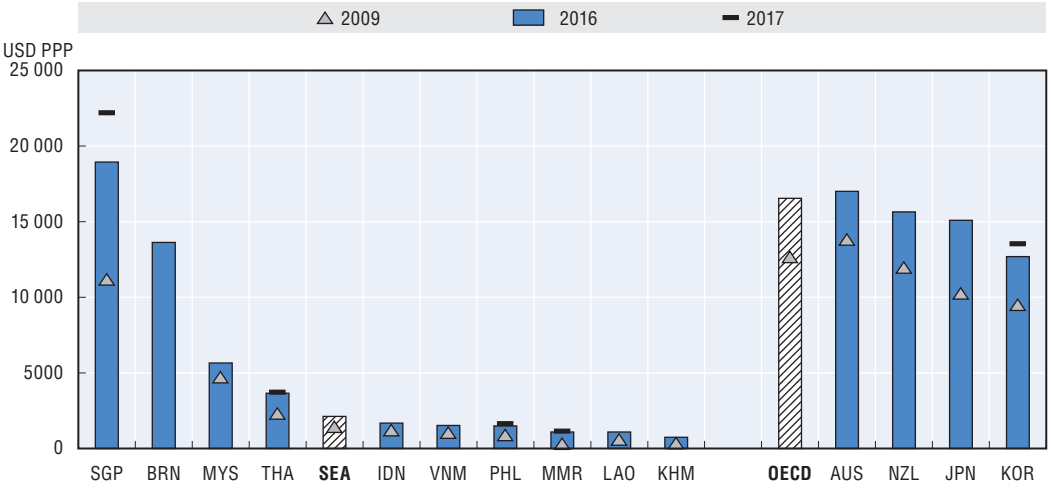
2.7. General government revenues as a percentage of GDP, 2007, 2009, 2016 and 2017



Sources: For SEA countries, IMF (April 2018) World Economic Outlook database. For OECD countries, OECD National Accounts Statistics (database).

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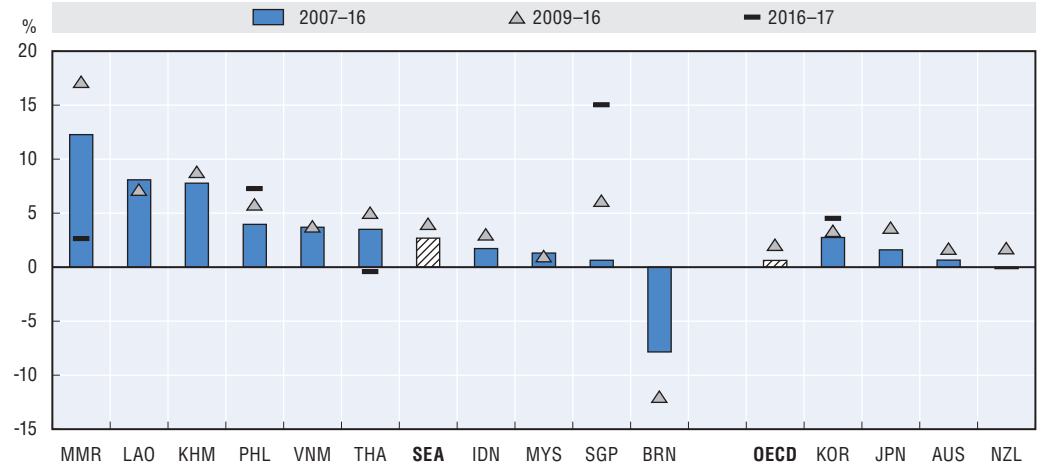
2.8. General government revenues per capita, 2009, 2016 and 2017



Sources: For SEA countries: IMF (April 2018) World Economic Outlook database. For OECD countries, OECD National Accounts Statistics (database).

StatLink https://doi.org/10.1787/888933840570

2.9. Annual average growth rate of real government revenues per capita, 2007-16, 2009-16 and 2016-17



Sources: For SEA countries, IMF (April 2018) World Economic Outlook database. For OECD countries, OECD National Accounts Statistics (database).

StatLink https://doi.org/10.1787/888933840589

The capacity to tax citizens is one of government's core attributes. Revenues collected from taxes represent the most important source of public funds in almost all countries and are crucial to provide public goods and services, guarantee government operations, undertake public investments and, depending on societal choices, embark on a higher or lower degree of income redistribution. As a general trend, in 2015 tax revenues as a share of GDP are around 14% on average in the four SEA countries for which there is data. This is significantly less than in the four OECD countries in the region, where tax revenues range between 25% and 33% of GDP.

Taxation in SEA countries varies somewhat, ranging from 11.8% of GDP in Indonesia to 17% of GDP in the Philippines in 2015. Overall taxation levels fall at around half of those in OECD countries, where the 2015 average was 34% of GDP. As a result, governments from OECD countries generally play a more active role in the provision of public goods and services than in SEA countries. There could be several reasons for the gap between SEA and OECD countries. Primarily a narrower tax base in SEA countries as well as comparatively lower tax rates, e.g. goods and services tax rates that are much lower in Southeast Asia than the OECD average. It may also be related to the fact that there is low tax compliance in some countries, and a limited capacity for tax enforcement. Another contributing factor may be the significance of agriculture in some of the countries, which is often associated with lower tax-to-GDP ratios (OECD, 2017).

Between 2007 and 2015, general government tax revenues in SEA countries barely changed, going down by 0.2 p.p. on average in terms of GDP. The change in OECD countries was also minimal, though in the opposite direction, going up by 0.3 p.p. on average. The increase in OECD countries has been steady since the low point reached in 2008 due to the financial crisis.

In Indonesia, Malaysia, the Philippines and Singapore, taxes on income and profits account for an average of 47.2% of total tax revenues in 2015. Taxes on goods and services represent on average 36.7%, while property taxes account for 5.4%, social security for merely 3.9%, and other taxes make up the remaining 6.8%. In OECD countries, taxes on goods and services account for a similar proportion of tax revenues on average, accounting for 32.4% in 2015. However, revenues from income and profits taxes are less significant in OECD countries, accounting for roughly a third (34.1%) of tax revenues, and social security contributions are more important, representing one quarter (25.8%). The minimal share of social security contributions in these Southeast Asian countries could also reflect the higher levels of informal employment and economic activity than in OECD countries and expectedly a relatively low distribution of social benefits to citizens. Property, payroll and other taxes similarly contribute a small amount to the overall tax revenues in OECD countries.

The composition of tax revenues has stayed fairly stable in Southeast Asian countries between 2007 and 2015.

Methodology and definitions

Data are drawn from the OECD Revenue Statistics in Asian Countries database, whose classification of tax revenue is almost equivalent to that of the *Government Finance Statistics Manual* (GFSM). The GFSM provides a comprehensive conceptual and accounting framework suitable for analysing and evaluating fiscal policy. It is harmonised with the other macroeconomic statistical frameworks, such as the overarching System of National Accounts (SNA). The GFS and SNA frameworks have been recently revised and several statistical standards were implemented by the countries. However, there are some differences between the definitions of tax revenues used in the OECD Revenue Statistics in Asian countries database and the SNA. In the SNA, taxes are compulsory payments, in cash or in kind, made by institutional units to the general government. Social contributions are actual or imputed payments to social insurance schemes to make provision for social insurance benefits that may be compulsory or voluntary. The OECD Revenue Statistics database treats compulsory social security contributions as taxes, while the SNA considers them social contributions because the receipt of social security benefit depends, in most countries, upon appropriate contributions having been made.

Further reading

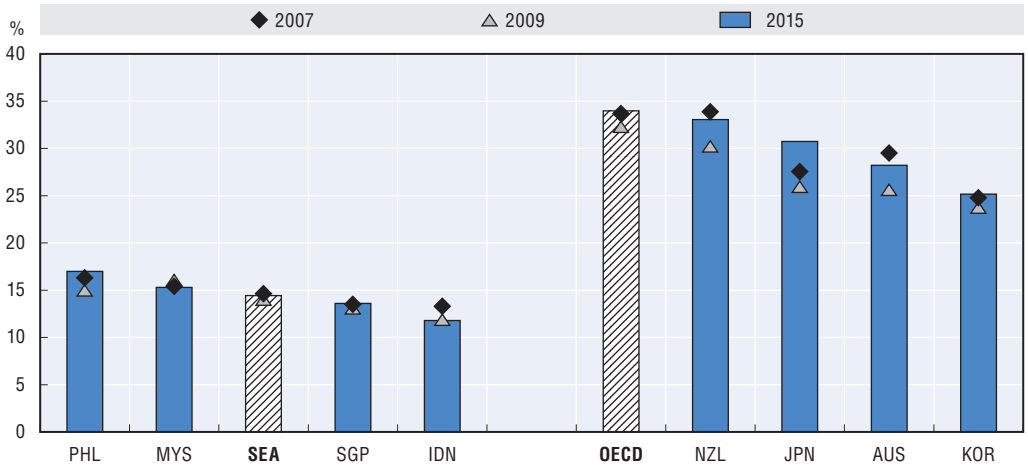
OECD (2017), *Revenue Statistics in Asian Countries 2017: Trends in Indonesia, Japan, Kazakhstan, Korea, Malaysia, the Philippines and Singapore*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264278943-en*.

OECD (2017), "Revenue statistics", *OECD Tax Statistics* (database), *https://doi.org/10.1787/data-00262-en*.

Figure notes

2.10 and 2.11: Data for Brunei Darussalam, Cambodia, Lao PDR, Myanmar, Thailand and Viet Nam are not available. OECD and SEA averages are unweighted.

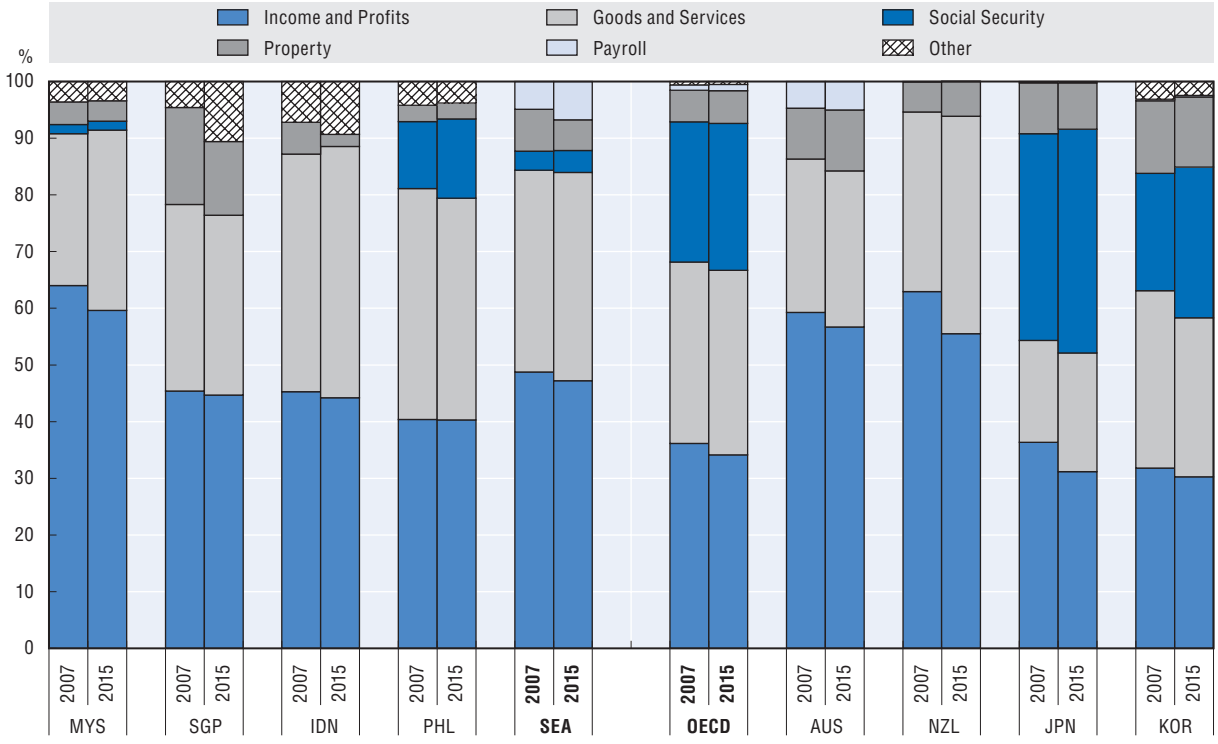
2.10. Tax revenues as a share of GDP, 2007, 2009, 2015



Sources: OECD (2017) Revenue Statistics in Asian Countries (database); OECD (2017) Revenue Statistics (database).

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2.11. Breakdown of tax revenues as percentage of total taxation, 2007 and 2015



Sources: OECD (2017) Revenue Statistics in Asian Countries (database); OECD (2017) Revenue Statistics (database).

StatLink https://doi.org/10.1787/888933840627

Governments spend money to provide goods and services, redistribute income and pursue economic development objectives. The amount of financial resources that governments spend provides an indication of the public sector's size, although this does not necessarily reflect its performance. Though government expenditures are usually less elastic than government revenues, they are also sensitive to economic developments associated with macroeconomic conditions and the business cycle. They also reflect past and current political decisions.

General expenditures in SEA countries represented on average 20% of GDP in 2016. However, there is significant variation in expenditure across SEA countries: Brunei Darussalam and Viet Nam reported levels of 39% and 30% of GDP respectively, in line with expenditure levels of the four OECD countries in the region. In countries such as Indonesia, Singapore and the Philippines, however, levels were below 20%. Overall, SEA countries spend on average significantly less in relation to their GDP than OECD countries, where the 2016 average of government expenditure was 40.6% of GDP. The OECD's 2018 Economic Survey in the region also highlights that infrastructure and communications technology, particularly in rural areas, is an area which would benefit from further investment, as well as public spending on education and research and development.

Government expenditures related to GDP have stayed remarkably stable in SEA countries over time. There have been notable fluctuations in certain countries, however. Between 2007 and 2016, government expenditure in Brunei Darussalam increased by 9.8 p.p. reaching 39.1% of GDP. Myanmar and Cambodia also experienced significant increases in government spending in relation to GDP during this period, by 7.6 p.p. and 7.1 p.p. respectively. Malaysia and Indonesia are the only two SEA countries in which government expenditures decreased between 2007 and 2016 relative to GDP, by 2.9 and 1.9 p.p. respectively.

On average, expenditure per capita across SEA countries represents USD 2 330 PPP in 2016. This is just over 13% of the expenditure for OECD countries, where government expenditures per capita account for USD 17 680 PPP in the same year. Brunei Darussalam (USD 30 251 PPP) had the highest level of government expenditures per capita, spending 1.7 times the OECD average and 13 times the SEA average. However, Brunei Darussalam is a rather exceptional country, given its natural resource wealth and small population. Singapore's government spending per person, at USD 16 003 PPP, is in line with the OECD average.

Between 2007 and 2016, the annual average growth rate of real government expenditures per capita was 3.7% on average in SEA countries, much higher than the 1% rate in OECD countries during the same period. All SEA countries have experienced growth in expenditures, though to varying degrees. In Cambodia, Lao PDR and Myanmar, government spending per person went up by an annual rate of more than 9%. In Brunei Darussalam and Malaysia, it grew by less than 2%. While overall government expenditure levels in SEA are much lower than in OECD countries, real government spending per capita in SEA has been growing.

Methodology and definitions

Data are drawn from the IMF World Economic Outlook (WEO) database (June 2018), which is based on the *Government Finance Statistics Manual* (GFSM). The GFSM provides a comprehensive conceptual and accounting framework suitable for analysing and evaluating fiscal policy. It is harmonised with the other macroeconomic statistical frameworks, such as the System of National Accounts (SNA). However, some differences exist between the GFSM and the SNA frameworks in several instances which led to the establishment, to a large extent, of correspondence criteria between the two statistical systems. The GFS and SNA frameworks have been recently revised and several statistical standards were implemented by the countries. General government consists of central government, state government, local government and social security funds.

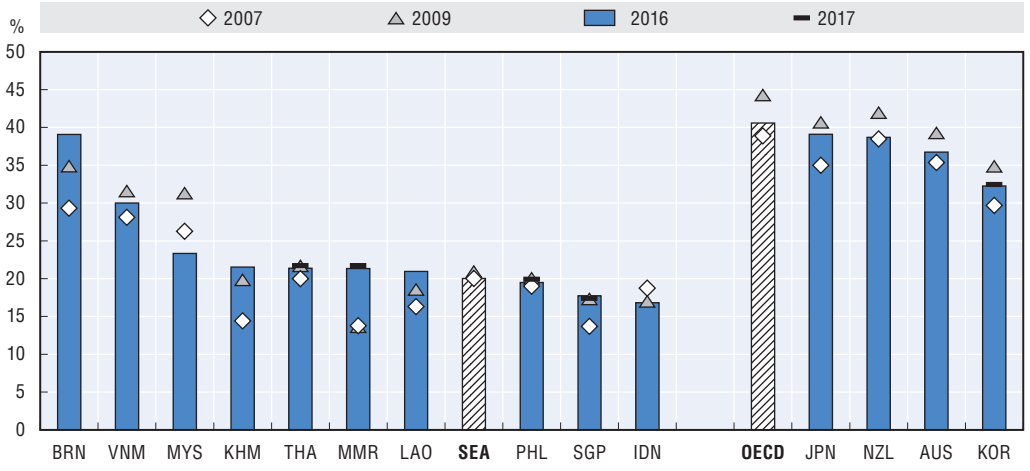
Expenditures encompass intermediate consumption, compensation of employees, subsidies, property income (including interest spending), social benefits, grants and other expenses, and investments. Therefore, total expenditures consist of total expenses and the net acquisition of non-financial assets. Gross domestic product (GDP) is the standard measure of the value of the goods and services produced by a country during a period.

Purchasing power parity (PPP) is the number of units of country B's currency needed to purchase the same quantity of goods and services in country A. For information on calculating government expenditures per capita, see section 2.4 on general government revenues (methodology and definitions). For the OECD countries and average, data are derived from the OECD National Accounts Statistics database, which is based on the SNA framework.

Further reading

OECD (2018), *Economic Outlook for Southeast Asia, China and India 2018: Fostering Growth through Digitalisation*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264286184-en*.

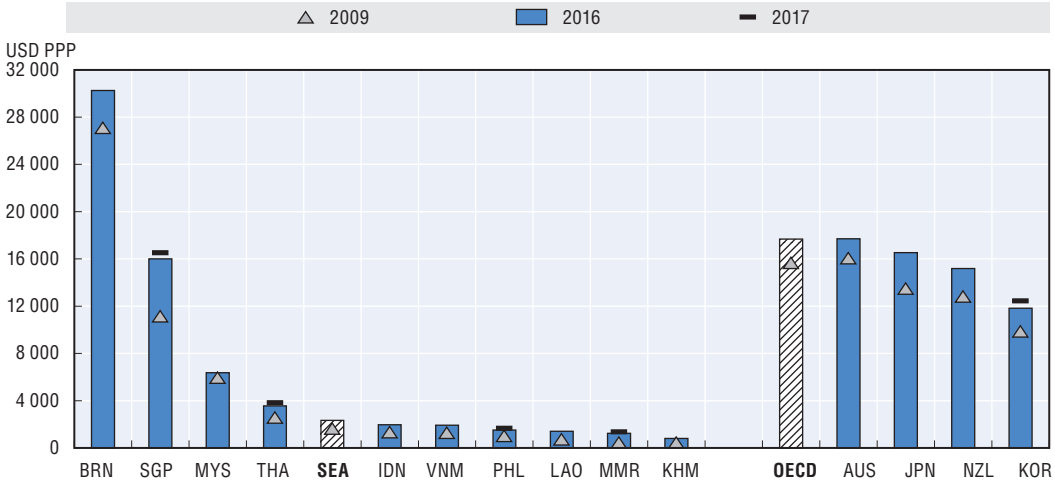
2.12. General government expenditures as a percentage of GDP 2007, 2009, 2016 and 2017



Sources: For SEA countries, IMF (April 2018) World Economic Outlook database. For OECD countries, OECD National Accounts Statistics (database).

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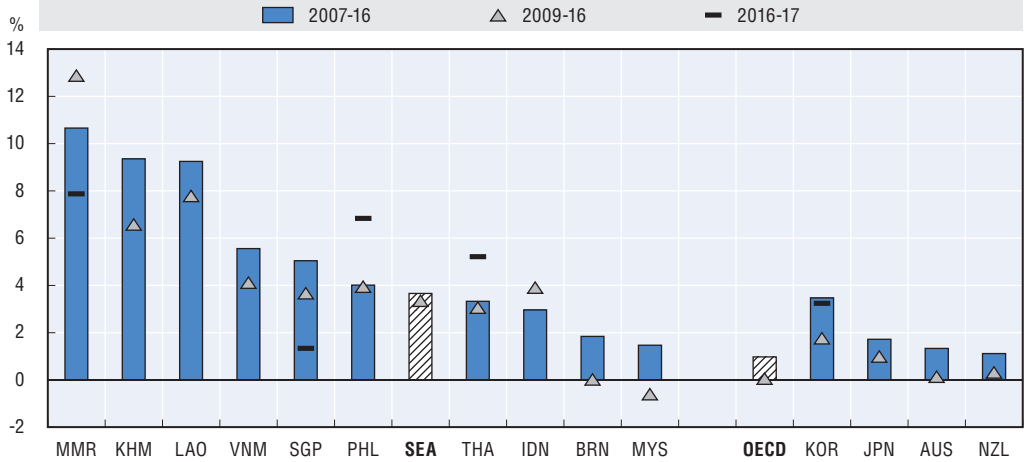
2.13. General government expenditures per capita, 2009, 2016, and 2017



Sources: For SEA countries, IMF (April 2018) World Economic Outlook database. For OECD countries, OECD National Accounts Statistics (database).

StatLink https://doi.org/10.1787/888933840665

2.14. Annual average growth rate of real government expenditures per capita, 2007-16, 2009-16 and 2016-17



Sources: For SEA countries, IMF (April 2018) World Economic Outlook database. For OECD countries, OECD National Accounts Statistics (database).

StatLink https://doi.org/10.1787/888933840684

The composition of government expenditures by transaction gives an indication of policy priorities, such as the type of service delivery model (e.g. a focus on direct provision or on outsourcing) and the size of financial commitments resulting from public debt.

In 2016, government employee compensation was the highest expenditure category for SEA countries, at 30.7% of total government expenditures on average, compared to an OECD average of 23.2%. Lao PDR (33.8%), Indonesia and Thailand (both 30.9%) spent the most on employee compensation; Myanmar (17.4%) spent the least. In the same year, the share of expenditures on intermediate consumption (purchase of goods and services) was also higher in SEA countries (24.6%) than in the OECD (13.9%).

SEA countries also spent significantly more on investment (16.6%) than OECD countries (7.6%). A large part of investment spending in the SEA goes on infrastructure, boosting spending on airports, high-speed rail and so on to improve connectivity and increase economic growth.

The trend is reversed for social benefits. In 2016, SEA countries spent only 7.4% on average; in the OECD this accounts for the highest transaction, at 41.4% on average. Thailand has the highest expenditure on social benefits in the SEA, but at 11.9% of total expenditures is still far below the OECD average. There is also a wide disparity between ASEAN countries and the four OECD countries in the region in share of total expenditure on social benefits. Australia (28.6%), Korea (28.8%) and New Zealand (36.1%) all spend slightly below the OECD average, while half of Japan's government expenditure (54.4%) goes on social benefits.

Social spending in ASEAN countries could be low for a variety of reasons. Countries such as Malaysia, Singapore and Thailand rely on compulsory savings; in Indonesia, the Philippines and Viet Nam, the system is organised around social insurance principles. This means that access to social insurance benefits is not universal and does not depend on proven need, but on contributions previously paid into an earmarked fund (Asher and Zen, 2015). Many SEA countries also see high levels of informal employment and highly unequal gender division of labour.

In 2008-16 there were large fluctuations in some expenditure categories. SEA countries saw a 5.4 p.p. increase in spending on intermediate consumption (the procurement of goods and services from the private or non-profit sectors) and a 5.5 p.p. average increase in spending on grants and other expenses. Meanwhile, subsidies declined by 11 p.p. and social benefit spending by 3.2 p.p. on average.

Breaking down expenditures by transaction as a share of GDP provides another angle to understand the relative importance of spending categories. For SEA countries with available information, public expenditures in GDP terms are on average lower as compared to the OECD countries. SEA countries vary: Myanmar spends less on average on employee compensation than other countries in the region, but significantly more on intermediate consumption. Cambodia, Lao PDR and Myanmar also spend around twice as much on investment as a share of GDP as other countries in the region.

Methodology and definitions

Data are drawn from the IMF Government Finance Statistics (IMF GFS) database, which applies the concepts set out in the *Government Finance Statistics Manual* (GFSM). The GFSM provides a comprehensive conceptual and accounting framework suitable for analysing and evaluating fiscal policy. It is harmonised with the other macroeconomic statistical frameworks, such as the System of National Accounts (SNA).

Expenditures encompass intermediate consumption, compensation of employees, subsidies, property income (including interest spending), social benefits (consisting of social benefits other than social transfers in kind and of social transfers in kind provided to households via market producers), grants and other expenses (mainly current and capital transfers but also other minor expenditures as other taxes on production, current taxes on income and wealth etc. and the adjustment for the change in pension entitlements) and investments. All these transactions at general government level are recorded on a consolidated basis (i.e. transactions between levels of government are netted out). For the OECD countries and average, data are derived from the OECD National Accounts Statistics database, which is based on the SNA framework.

Further reading

Asher, M.G. and F. Zen (2015), "Social protection in ASEAN: Challenges and initiatives for post-2015 vision", *ERIA Discussion Paper Series*, ERIA, Jakarta.

Figure notes

2.15 and 2.16: Data for Lao PDR, Myanmar, Singapore and Viet Nam are recorded on a cash basis. Data for Cambodia, Lao PDR and Viet Nam refer to the government sector of budgetary central government. Data for Cambodia for investment do not include consumption of fixed capital. Data for Singapore for investment refer to fixed investment; detailed data for social benefits and grants and other expenses are not available. Data for Myanmar and Viet Nam are not included in the SEA average. Differences with total expenditures in 2.12 might occur due to the use of a different IMF reporting database.

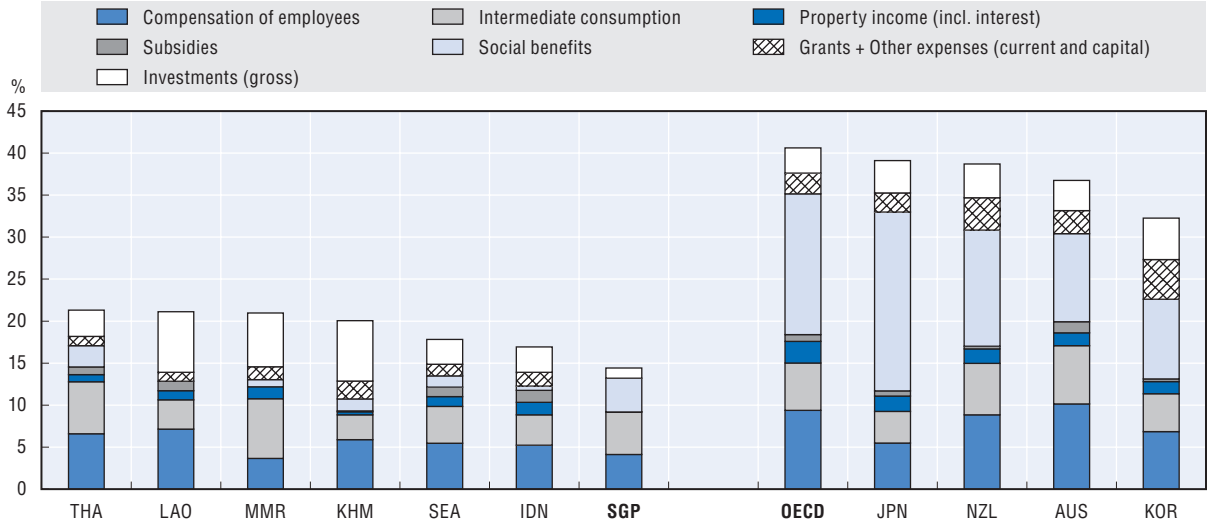
2.15. Structure of general government expenditures by economic transaction, 2008, 2013 and 2016

	Compensation of employees			Intermediate consumption			Subsidies			Property income (incl. interest)			Social benefits			Grants + Other expenses (current and capital)			Investments (gross)		
	2008	2013	2016	2008	2013	2016	2008	2013	2016	2008	2013	2016	2008	2013	2016	2008	2013	2016	2008	2013	2016
Cambodia	22.1	21.7	29.4	18.4	15.5	14.8	3.2	1.0	0.5	1.2	1.6	1.8	7.1	6.9	7.2	4.7	10.7	10.6	43.2	42.5	35.8
Indonesia	25.0	28.5	30.9	11.7	16.8	21.4	26.4	20.0	8.4	8.5	6.4	8.7	7.8	5.6	3.0	4.4	5.5	9.7	16.3	17.1	17.8
Lao PDR	27.9	36.8	33.8	16.1	15.4	16.6	5.6	4.5	5.3	4.1	4.2	5.1	0.0	0.0	0.0	5.0	4.5	5.0	41.3	34.7	34.1
Myanmar	..	9.4	17.4	..	36.1	33.9	..	0.0	0.0	..	5.8	6.8	..	2.6	4.1	..	9.4	7.3	..	36.6	30.5
Singapore	30.8	39.9	28.6	45.1	44.5	35.1	0.0	0.0	0.0	0.1	0.0	0.0	..	..	..	..	..	..	3.5	10.8	8.4
Thailand	36.1	30.4	30.9	28.8	27.0	29.0	3.6	6.1	4.3	4.7	5.2	4.0	10.4	9.7	11.9	2.3	5.0	5.2	14.2	16.5	14.7
Viet Nam	..	..	..	..	..	..	..	..	..	4.4	5.5	..	..	..	..	..	..	..	20.4	21.6	..
SEA	28.6	29.7	30.7	19.2	21.3	24.6	17.5	14.3	6.4	6.7	5.6	6.5	10.6	9.2	7.4	2.3	2.7	7.8	15.2	17.1	16.6
Australia	26.1	26.9	27.6	17.9	18.2	18.9	3.7	4.1	3.6	3.8	4.9	4.1	30.9	29.0	28.6	8.4	8.2	7.4	9.3	8.7	9.8
Japan	16.6	13.9	14.0	9.5	9.6	9.7	1.4	1.7	1.5	5.6	5.0	4.7	50.6	53.4	54.4	5.5	6.2	5.9	10.8	10.2	9.8
Korea	21.7	21.0	20.9	14.4	14.2	13.7	1.0	0.9	1.0	9.0	5.6	4.5	20.8	25.6	28.9	13.7	15.5	15.9	19.3	17.2	15.3
New Zealand	23.6	23.2	22.9	16.0	15.6	15.8	1.3	1.0	0.9	4.0	4.9	4.4	36.4	36.3	35.7	7.9	8.5	9.9	10.8	10.5	10.4
OECD	23.7	22.9	23.1	14.6	14.0	13.9	2.0	2.0	2.0	7.1	6.9	6.3	37.1	39.9	41.3	6.4	6.4	6.1	9.1	7.9	7.4

Sources: Data for SEA countries: IMF Government Finance Statistics (IMF GFS) database. Data for the OECD countries: OECD National Accounts Statistics (database)

StatLink https://doi.org/10.1787/888933840703

2.16. Government expenditures by economic transaction as a percentage of GDP, 2016



Sources: For SEA countries, IMF Government Finance Statistics (IMF GFS) database. For OECD countries, OECD National Accounts Statistics (database).

StatLink https://doi.org/10.1787/888933840722

Government investment creates public infrastructure essential for long-term economic growth and societal well-being. For instance, public investment supports the provision of public services (e.g. schools). Further, governments invest in transport infrastructure, and other large-scale projects to improve productivity and competitiveness. Finally, governments can also invest in research and development to promote new technologies or products, such as artificial intelligence, machine learning and 3D printing.

In 2016, government investment represented, on average, 16.7% of total government expenditures in SEA countries. This figure is significantly higher than the OECD average of 7.6% in the same year. Government investment in the SEA region is extremely heterogeneous, however. On the high end, investment as a percentage of government spending is 35.8% in Cambodia, 34.1% in Lao PDR and 30.5% in Myanmar. A large part of investment spending in the region is on infrastructure, as countries boost spending on everything from airports to high-speed rails and ports, in order to improve connectivity and increase economic growth. On the low end, government investment spending is 8.4% in Singapore and 14.7% in Thailand, closer to the OECD average and more in line with the four OECD countries in the region. This possibly reflects the fact that some more advanced markets already have a great deal of the type of infrastructure in which other SEA countries are currently investing.

Considering government investment as a percentage of total government expenditure over time, the trend in Southeast Asia has moved in the opposite direction to the OECD. In SEA it increased on average by 1.5 p.p. between 2008 and 2016, whereas in the OECD it declined by 1.8 p.p. in the same period. In Southeast Asia, this growing public investment may reflect the fact that growth in the region has been increasing steadily over the same period. In OECD countries, government investment has been in steady decline since the financial crisis in 2008-09.

Investment spending as a proportion of GDP in SEA countries was the same, on average, as OECD countries in 2016 (3%). Once again, there is a wide disparity between SEA countries. Investment levels as a percentage of GDP are highest in Lao PDR and Cambodia (both 7.2%) and Myanmar (6.4%) – three countries in the region which are not as far ahead in their overall economic development. It is lowest in Singapore (1.2%) and Indonesia (3%) – two of the most advanced SEA economies.

Investment needs vary in the region, as SEA countries have varied levels of economic development. Countries with low levels of development can obtain comparatively high economic returns from public investment. Furthermore, investment in poorer regions can play a crucial role in reducing inequalities.

Methodology and definitions

Data and drawn from the IMF Government Finance Statistics database, which applies the concepts set out in the *Government Finance Statistics Manual* (GFSM). The GFSM provides a comprehensive conceptual and accounting framework suitable for analysing and evaluating fiscal policy. It is harmonised with the other macroeconomic statistical frameworks, such as the System of National Accounts (SNA). However, some differences exist between the GFS and the SNA frameworks in several occurrences which led to the establishment, to a large extent, of correspondence criteria between the two statistical systems. The GFS and SNA frameworks have been recently revised and several statistical standards were implemented by the countries.

General government investment includes gross capital formation and acquisitions, less disposals of non-produced, non-financial assets. Gross fixed capital formation (also named fixed investment) is the main component of government investment, consisting mainly of transport infrastructure but also including infrastructure such as office buildings, housing, schools and hospitals. Government investment is recorded on a gross basis (i.e. measured gross of consumption of fixed capital, unless otherwise stated). For the OECD countries and average, data are derived from the OECD National Accounts Statistics database, which is based on the SNA framework.

Further reading

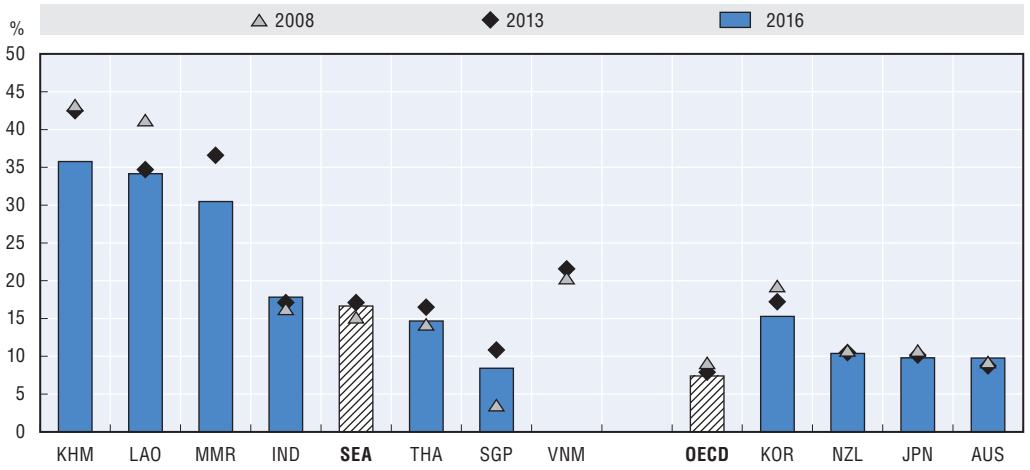
OECD (2018), *Economic Outlook for Southeast Asia, China and India 2018: Fostering Growth Through Digitalisation*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264286184-en*.

OECD (2018), The Principles on Effective Public Investment across Levels of Government, *https://www.oecd.org/effective-public-investment-toolkit/theprinciples.htm*.

Figure notes

2.17 and 2.18: Data for Lao PDR, Myanmar, Singapore and Viet Nam are recorded on a cash basis. Data for Cambodia, Lao PDR and Viet Nam refer to the government sector of budgetary central government. Data for Cambodia for investment do not include consumption of fixed capital. Data for Singapore for investment refer to fixed investment. Data for Myanmar and Viet Nam are not included in the SEA average.

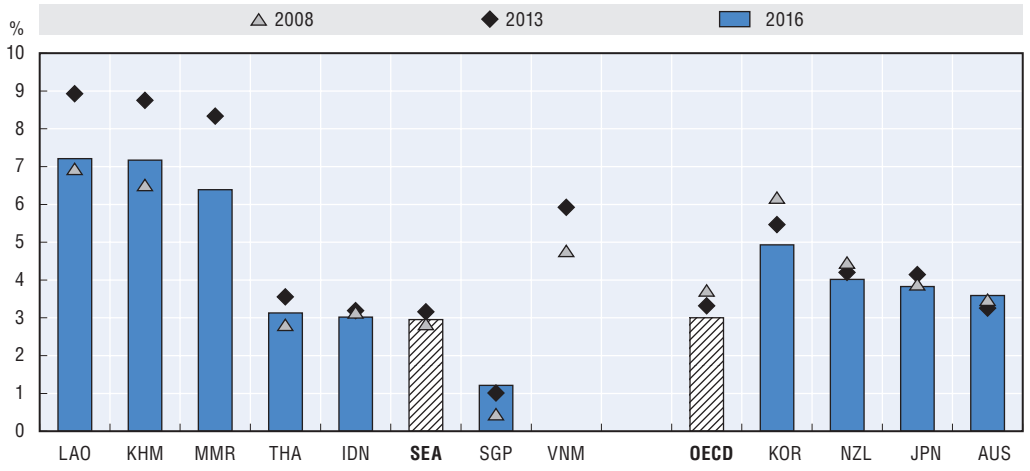
2.17. Government investment as a percentage of total government expenditures, 2008, 2013 and 2016



Sources: For SEA countries, IMF Government Finance Statistics (GFS IMF) database. For OECD countries, OECD National Accounts Statistics (database).

StatLink https://doi.org/10.1787/888933840741

2.18. Government investment as a percentage of GDP, 2008, 2013 and 2016



Sources: For SEA countries, IMF Government Finance Statistics (IMF GFS) database. For OECD countries, OECD National Accounts Statistics (database).

StatLink https://doi.org/10.1787/888933840760

Chapter 3

Public employment

Government performance is highly dependent on workforce quality. At the same time, size of public sector employment reflects both societal agreement about the role of government in the economy and society, as well as the way in which public services are delivered – whether through government employees or partnerships with the private or not-for-profit sectors.

Public sector employment as a percentage of total employment for the selected SEA countries was on average 15% in 2016. However, extreme differences exist between the countries, ranging from 47% in Brunei Darussalam to 6% in Myanmar. The SEA average is almost 7 p.p. lower than the average share of public sector employment in total employment in OECD countries, which was 21% in 2016. At the same time, Korea (9%) and Japan (8%) – the two OECD countries for which there is data in the region – have similar shares of public sector employment as half of the SEA countries in 2016. These two countries also have the lowest share of public sector employment out of all OECD countries. Where data is available, between 2009 and 2016, public sector employment as a percentage of overall employment decreased on average by 0.1 p. p. in the Philippines and 0.5 p.p. in Viet Nam. On the other hand, in Malaysia and in Lao PDR this share increased by about 2 p.p. and 9 p.p. respectively over the same period.

Public sector employment that is representative of the population (e.g. making progress towards more equal representation of men and women) is important, as a diversity of views and experiences in the public sector workforce will lead to policies and services that better reflect citizens' needs. Within the SEA region, there is still a strong culture of women providing family support, childcare and being responsible for other household chores. They also often carry out unpaid work in family businesses. Even in middle-income countries such as Indonesia, the share of employed women in total employment (39%) is lower than that of men (61%). The share of women employed in the total economy in the SEA region (43%) is still lower than that of the OECD average (46%) in 2016.

In terms of having paid employment, public sector work is a key avenue for women. Women and men are almost equally represented in SEA public sector employment. On average, women represent 47% of public sector employment in the SEA countries in 2016. In contrast, in OECD countries on average women represented the majority of the public sector workforce (58% in the same year). However, SEA countries are highly varied in their gender shares of public sector employment. For instance, women represented 43% of employment in the public sector in Indonesia, against 54% in the Philippines in 2016. Where data are available to compare public sector employment by gender between 2009 and 2016, all SEA countries experienced an increase in the percentage of women working in the public sector. This mirrored the trend in Japan and in the OECD average, which also increased over the same period.

Methodology and definitions

Data on public sector employment were collected by the International Labour Organization ILOSTAT database. Data are based on the Labour Force Survey, unless otherwise indicated.

Public sector employment covers employment in the government sector plus employment in publicly-owned resident enterprises and companies.

Data represent the total number of persons employed directly by those institutions, without regard to the particular type of employment contract. The employed comprise all persons of working age who, during a specified brief period, were in the following categories: paid employment or self-employment.

Further reading

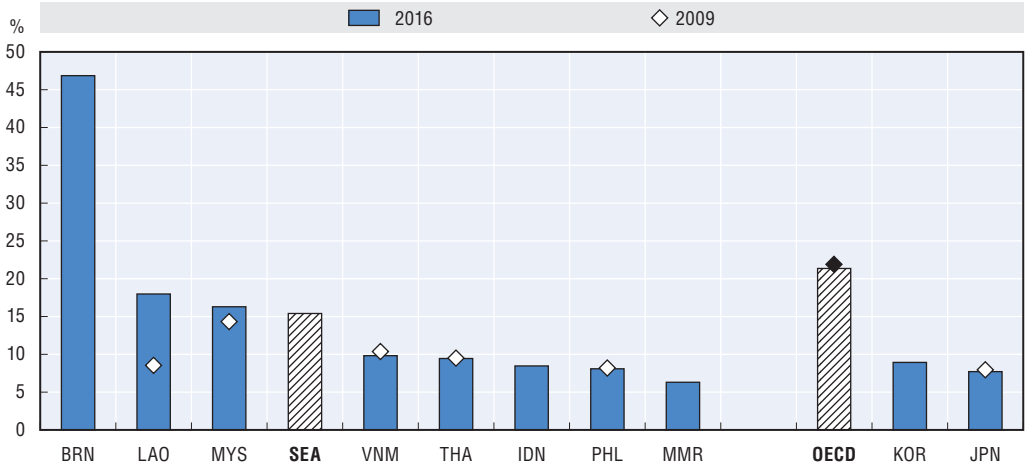
OECD (2016), *Engaging Public Employees for a High-Performance Civil Service*, OECD Public Governance Reviews, OECD Publishing, Paris, *https://doi.org/10.1787/9789264267190-en*.

OECD (2014), *Women, Government and Policy Making in OECD Countries: Fostering Diversity for Inclusive Growth*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264210745-en*.

Figure notes

3.1, 3.2 and 3.3: Data for Lao PDR are for 2010 rather than 2009, and 2017 rather than 2016. Data for Korea and Myanmar are for 2015 rather than 2016, while data for Brunei Darussalam are for 2014 rather than 2016. Data for Thailand are for 2010 rather than 2009.

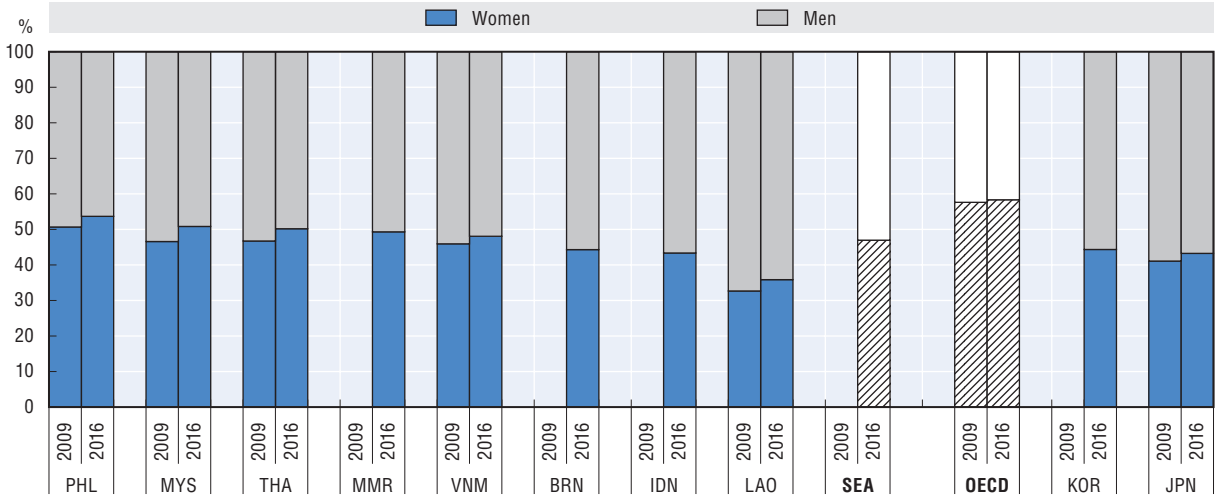
3.1. Employment in public sector as a percentage of total employment, 2009 and 2016



Sources: ILO, ILOSTAT (database), Employment by sex and institutional sector. Data for Korea were provided by national authorities.

StatLink https://doi.org/10.1787/888933840779

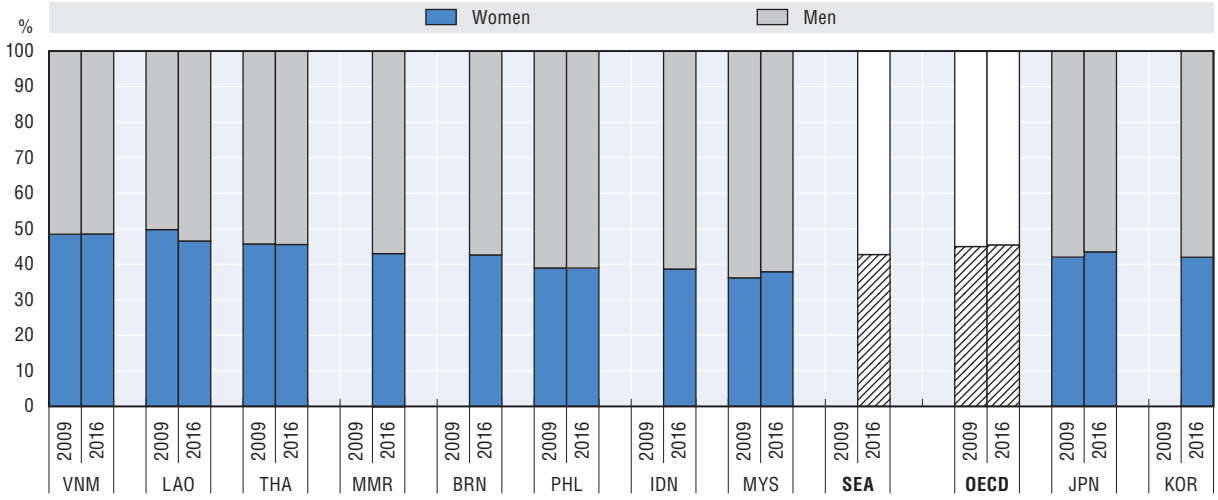
3.2. Share of public sector employment filled by women and men, 2009 and 2016



Sources: ILO, ILOSTAT (database), Employment by sex and institutional sector. Data for Korea were provided by national authorities.

StatLink https://doi.org/10.1787/888933840285

3.3. Share of employed women and men in total employment, 2009 and 2016



Sources: ILO, ILOSTAT (database), Employment by sex and institutional sector. Data for Korea were provided by national authorities.

StatLink https://doi.org/10.1787/888933840304

Achieving gender parity in parliaments and government is crucial to ensure that women's perspectives are integral to public decision-making, being reflected in government policies and strategies. In adopting the UN Sustainable Development Goals (SDGs), SEA countries have committed to achieving women's full and effective participation and equal opportunities for leadership at all levels of public decision making. Yet women's political representation in SEA countries has hardly increased over the past decade. Women are still under-represented, filling only one-tenth of ministerial positions and one-fifth of parliamentary seats on average.

Enhancing women's full participation in political leadership entails a comprehensive set of measures that tackle the patriarchal attitudes and cultural norms around women's leadership, as well as institutional incentives encouraging women's participation. Mentoring schemes, media training, and financial support for campaigns play a key role in supporting women to build the capacity, network and financial stability to run as candidates. Quotas (at party and legislative levels) are also important, as well as sound accountability and monitoring mechanisms to ensure implementation.

On average, women held 20% of parliamentary seats in SEA countries in 2018, a 1.7 p.p. increase compared to the 2008. Overall, the direction of change has been positive, with notable increases of 9 p.p. in the Philippines and 8 p.p. in Indonesia during that time period. Only Singapore and Thailand witnessed a decline in women's parliamentary representation between 2008 and 2018, by 1.5 p.p. and 6.9 p.p. respectively.

There is a great deal of variation in the region, however. Women's parliamentary representation ranges from 30% in the Philippines, 28% in Lao PDR and 27% in Viet Nam to a mere 5% in Thailand and 9% in Brunei Darussalam.

These figures highlight why quotas are only one part of the policy response required. They work to ensure a minimum level of women's representation in parliament, but do not always extend beyond that. Viet Nam, Indonesia, Thailand and Korea all have some form of statutory and/or legislated party quotas. The Philippines and Singapore have voluntary political party quotas. Yet, of these countries, the change in women's representation between 2008 and 2018 has ranged from -6.8 p.p. in Thailand to +9 p.p. in the Philippines. Viet Nam and Korea saw hardly any change at all during this time; in Singapore, the percentage dropped slightly. Lao PDR, which does not have any quotas, has the second highest proportion of women in parliament (28%).

When it comes to ministerial representation, most SEA countries have a larger hurdle to overcome. On average, 10% of ministerial posts were filled by women in 2017. Only in Indonesia and the Philippines is the percentage of women ministers similar to the OECD average of 28%. These two countries have a similar proportion of women ministerial representation as New Zealand and Australia amongst the OECD countries in the region, whereas most SEA countries are more in line with Japan (16%) and Korea (9%). Brunei Darussalam is the exception, with zero women ministers.

Since 2008, the proportion on average has increased by 3 p.p., suggesting hardly any change over the decade. Two countries stand out from this trend, however – Indonesia and the Philippines. Both countries have witnessed an increase of 15-16 p.p. of women ministers between 2008 and 2017s.

To date, no SEA or OECD country has legislated gender quotas for executive appointments.

Methodology and definitions

Data for women parliamentarians refer to lower/single houses of parliament and were obtained from the Inter-Parliamentary Union's PARLINE database. Data refer to the share of women parliamentarians recorded as of 1 June of each year of reference.

Data on women ministers in national government were obtained from the Inter-Parliamentary Union and UN Women's "Women in Politics" database. Data represent the percentage of appointed women ministers as of 1 January of each year of reference. Data show women as a share of total ministers, including deputy prime ministers and ministers. Prime ministers/heads of government were also included when they held ministerial portfolios. Vice-presidents and heads of governmental or public agencies have not been included in the total.

Further reading

ASEAN Secretariat (2017), *ASEAN Statistical Report on Millennium Development Goals 2017*, ASEAN, Jakarta, *http://asean.org/storage/2012/05/ASEAN_MDG_2017.pdf*.

OECD (2014), *Women, Government and Policy Making in OECD Countries: Fostering Diversity for Inclusive Growth*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264210745-en*.

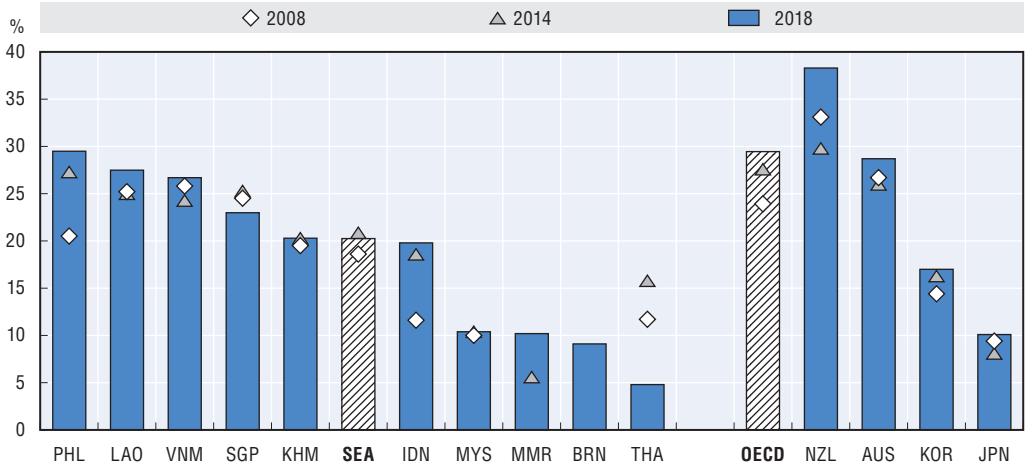
Figure notes

3.4: Data refer to share of women parliamentarians recorded as of 1 June of each year. SEA average does not include Brunei Darussalam and Myanmar due to missing time series. Brunei Darussalam: no data for 2014 and 2008; Myanmar: no parliament in 2008.

3.5: Data represent women appointed ministers as of January 1 of each year of reference. The total includes Deputy Prime Ministers and Ministers. Prime Ministers/Heads of Government were also included when they held ministerial portfolios. Vice-Presidents and heads of governmental or public agencies have not been included.

3.4. Share of women parliamentarians, 2008, 2014 and 2018

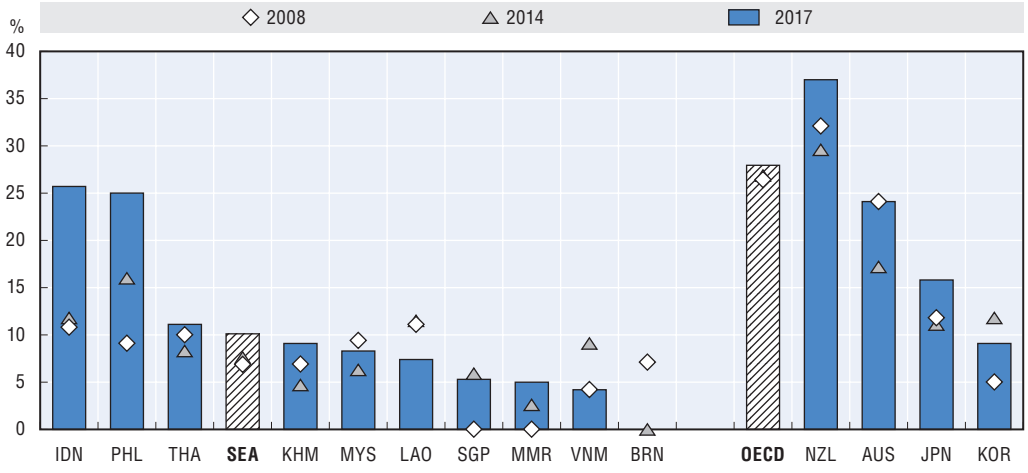
Lower or single house of parliament



Source: IPU PARLINE (database).

StatLink https://doi.org/10.1787/888933840342

3.5. Share of women ministers, 2008, 2014 and 2017



Source: IPU (2017, 2014 and 2008), "Women in Politics".

StatLink https://doi.org/10.1787/888933840323

Chapter 4

Budget practices and procedures

The central budget authority (CBA) is the public body responsible for managing a country's national/federal budget. The CBA leads the budget process in alignment with governments' strategic goals and ensures that the procedures for formulating and implementing the budget are followed. The location of the CBA within the architecture of government has great strategic importance, given its co-ordinating function and role in resolving competing claims on budget resources.

The ministry of finance and/or economics is the most common choice of CBA location across SEA (60%) and OECD (88%) countries. In such cases, the CBA generally consists of a dedicated unit or group of co-ordinated units within the ministry. In the case of LAO PDR, the Philippines and Viet Nam the CBA functions fall under the responsibility of two separate organisations. In Lao PDR and Viet Nam, the Ministry of Finance and the Ministry of Planning and Investment share the CBA tasks, while in the Philippines, the split is between the Department of Budget and Management and the Department of Finance. In the case of Thailand, the CBA is part of the Prime Minister's Office.

The head of the CBA naturally plays a critical role in budget configuration. This is especially relevant in terms of managing negotiations with other ministries and departments in developing the budget. In SEA countries, 80% of heads of the CBA are senior civil servants, compared to 64% for OECD countries. A CBA led by a government official who is expected to remain in the position after a change in government is key to preserve institutional memory and can potentially ensure continuity between political cycles.

The role and functions of the CBA varies across countries. In a similar way to OECD countries, exclusive competencies of CBAs in SEA often include drafting the budget circular (80%), producing supplementary budgets (80%) and determining ceilings for line ministries (70%). In contrast to OECD countries, authorising supplementary outlays for line ministries is also often under the sole responsibility of the CBA in SEA countries (80% in SEA and 45% in OECD countries). In turn, in SEA countries responsibility for tasks such as monitoring line ministries' performance (80% of cases) and the methodology for macroeconomic projections (60%) are shared between CBA and other institutions or agencies. In OECD countries CBAs in 17 out of 33 countries (52%) countries share responsibility for monitoring line ministries' performance, and 10 countries out of 33 countries (30%) share responsibility for developing the methodology for macroeconomic projections.

Methodology and definitions

Data for SEA countries refer to country responses to the 2018 OECD Budget Practices and Procedures Survey for Asian Countries. OECD country responses are to the 2018 OECD Budget Practices and Procedures Survey. Respondents were predominantly senior budget officials in SEA countries and OECD countries. Responses represent the countries' self-assessments of current practices and procedures. Data refer only to central/federal governments and exclude the sub-national level. OECD totals are based on responses by 33 OECD countries, as no 2018 data is available for the United Kingdom and the United States.

The CBA is a public body or several co-ordinated bodies, located at the central/national/federal level of government and generally responsible for formulating budget proposals, conducting budget negotiations with line ministries and agencies, allocating or reallocating funds, ensuring compliance with the budget laws and at times conducting performance evaluations and/or efficiency reviews. While this authority may monitor budget execution, it may not necessarily undertake the treasury function of disbursing public funds. Lastly, a very important role of the central budget authority is monitoring and maintaining aggregate/national fiscal discipline and enforcing the effective control of budgetary expenditure.

For the purpose of this section, the terms department and ministry have an equivalent meaning.

Further reading

Schick, A. (2001), "The Changing Role of the Central Budget Office", OECD Journal on Budgeting, Vol. 1/1, *https://doi.org/10.1787/budget-v1-art3-en*

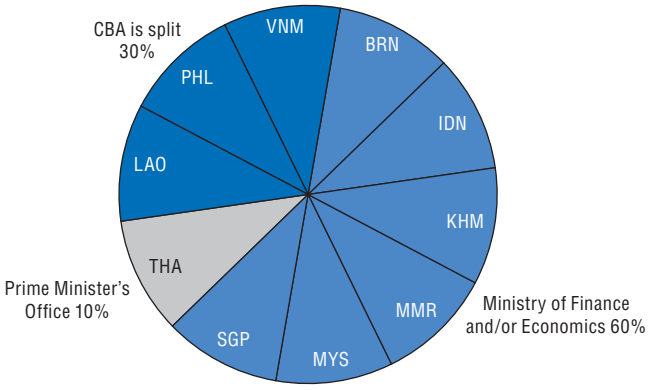
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OECD (2015), "Recommendation of the Council on Budgetary Governance", OECD Publishing, Paris, *http://www.oecd.org/gov/budgeting/Recommendation-of-the-Council-on-Budgetary-Governance.pdf*

Figure notes

4.3: Cambodia: no data available for methodology for fiscal projections.

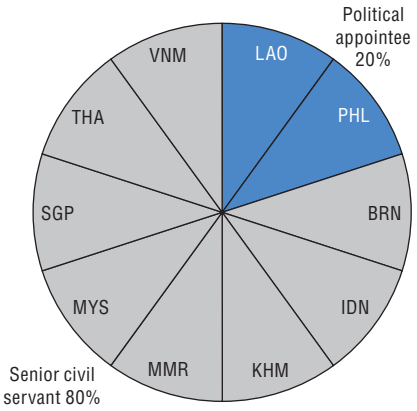
4.1. Location of the CBA, 2018



Source: OECD (2018) Budget Practices and Procedures Survey for Asian Countries.

StatLink https://doi.org/10.1787/888933840798

4.2. Head of the CBA, 2018



Source: OECD (2018) Budget Practices and Procedures Survey for Asian Countries.

StatLink https://doi.org/10.1787/888933840817

4.3. Responsibilities of the CBA, 2018

	Drafting budget circular	Authorisation of line ministries outlays	Producing supplementary budgets	Determining ceilings for line ministries	Developing executive budget proposal	Negotiating with line ministries	Producing end-of-year reports	Methodology for fiscal projections	Monitoring performance of line ministries	Methodology for macroeconomic projections
Brunei Darussalam	●	◒	●	●	●	◖	◖	◒	◖	◒
Cambodia	●	●	●	x	●	●	●	..	●	●
Indonesia	◖	●	●	●	●	◖	◒	◖	◖	◖
Lao PDR	●	●	●	x	●	●	●	●	◖	◖
Malaysia	●	●	●	●	◖	◖	◒	◒	◖	◖
Myanmar	●	◖	●	●	◖	◖	●	●	●	●
Philippines	●	●	◖	●	◖	●	◖	◖	◖	◖
Singapore	●	●	●	●	●	●	●	●	◖	◒
Thailand	●	●	●	●	●	●	◖	◖	◖	◖
Viet Nam	◖	●	◖	◖	◖	◖	◖	◖	◖	◖
SEA total										
●	8	8	8	7	6	5	4	3	2	2
◖	2	1	2	1	4	5	4	4	8	6
◒	0	1	0	0	0	0	2	2	0	2
x	0	0	0	2	0	0	0	0	0	0
Australia	●	◖	x	x	x	◖	◖	◖	◖	●
Japan	●	◒	●	●	●	●	●	◒	◖	◒
Korea	●	◖	●	●	●	●	●	◖	◖	◖
New Zealand	●	●	●	○	●	●	●	●	●	●
OECD Total										
●	30	15	28	22	25	25	18	9	11	7
◖	3	6	3	5	6	6	9	21	17	10
◒	0	10	1	3	0	2	3	3	5	16
x	0	2	1	3	2	0	3	0	0	0

Key:
● Sole responsibility of the CBA
◖ Shared responsibility between CBA and other institutions
◒ Not a responsibility of the CBA
x Not applicable

Sources: For SEA countries, OECD (2018) Budget Practices and Procedures Survey for Asian Countries. For OECD countries, OECD (2018) Budget Practices and Procedures Survey.

StatLink https://doi.org/10.1787/888933840836

Fiscal rules are long-term restrictions on fiscal policy operating through numerical limits on the budgetary aggregates, usually based in legislation. As such, they can act as concrete indicators of the government's commitment to prudent budgetary management. They can counter the tendency of government to accommodate internal and external demands by spending more than it has, given the open-ended nature of the budget process.

There is no one-size-fits-all model for designing and implementing fiscal rules. Economic, political and social factors at the national level and the budget process's specific institutional arrangements must be taken into account in formulating fiscal rules. Commonly, fiscal rules include escape clauses to deal with unforeseen circumstances (e.g. *force majeure*) or external shocks.

Fiscal rules may focus on different elements of government fiscal aggregates: expenditure, budget balance (in terms of deficit or surplus), public debt and revenue. Across SEA countries, the most widespread types of fiscal rules are budget balance (70%) and debt rules (60%). These types of rules are also common in OECD countries, where all reported countries have budget balance rules, in some cases as part of the European Union and euro area membership requirements. Only 40% of the SEA countries have expenditure rules. In stark contrast, a majority of OECD countries have adopted such rules, often to complement their deficit and debt rules. Only Lao PDR and Viet Nam have implemented a revenue rule; the low incidence of such rules is also found in OECD countries (45%).

Fiscal rules can have different legal foundations. Singapore is the only SEA country that has enshrined fiscal rules in their constitution. A common legal foundation for fiscal rules in SEA countries and OECD countries is primary and secondary legislation, including complementary international rules for EU members. In exceptional cases, fiscal rules can be based primarily on a long-term political commitment, such as in Australia and New Zealand.

To avoid deviating from conditions set in the rules, countries often rely on tools such as political commitment and monitoring by independent fiscal institutions. However, many countries have enforcement mechanisms outlining the procedures in the event of an unjustified deviation from the rule's target. Several SEA countries have chosen mechanisms where the entity responsible for the overrun must implement corrective measures, or submit a proposal detailing corrective measures to the legislature. In the OECD, 13 countries out of 33 (39%) have indicated enforcement measures where "explanation with reasons for non-compliances were presented to legislature".

Methodology and definitions

Data for SEA countries refer to country responses to the 2018 OECD Budget Practices and Procedures Survey for Asian Countries. OECD country responses are to the 2018 OECD Budget Practices and Procedures Survey. Respondents were predominantly senior budget officials in SEA countries and OECD countries. Responses represent the countries' self-assessments of current practices and procedures. Data refer only to central/federal governments and exclude the sub-national level. OECD totals are based on responses by 33 OECD countries as no 2018 data are available for the United Kingdom and the United States.

A numerical fiscal rule is defined as a permanent, long-term restriction on fiscal policy.

The four broad categories of fiscal rules are:

- Budget balance (i.e. deficit or surplus) rules: directly target the budget balance (i.e. the gap between government spending and revenues). Includes a requirement to run a balanced position; not to exceed a defined deficit limit; or to attain a defined minimum surplus.
- Debt rules: limit the amount of government debt that can be accumulated.
- Expenditure rules: limit the amount of government spending, or the rate of growth in government spending.
- Revenue rules: impose constraints on the tax-to-GDP ratio and place restrictions on government revenues raised in excess of projected amounts.

Further reading

Anderson, B. and J. Minarik (2006), "Design choices for fiscal policy rules", *OECD Journal on Budgeting*, Vol. 5/4, OECD Publishing, Paris, *https://doi.org/10.1787/budget-v5-art25-en*.

Fall, F., et al. (2015), "Prudent debt targets and fiscal frameworks", *OECD Economic Policy Papers*, No. 15, OECD Publishing, Paris, *http://dx.doi.org/10.1787/5jrxtjmmt9f7-en*.

Schick, A. (2010), "Post-crisis fiscal rules: Stabilising public finance while responding to economic aftershocks", *OECD Journal on Budgeting*, Vol. 10/2, OECD Publishing, Paris, *https://doi.org/10.1787/budget-10-5km7rqpkqts1*.

Figure notes

4.4: Viet Nam's revenue rules are consigned in the National Assembly's resolutions for a ten-year financial strategy and a five-year socio-economic development plan. Cambodia's debt rules are stipulated in the budget law. Thailand's expenditure and debt rules are stipulated in the 2018 Fiscal Responsibility Act of 19 April 2018.

4.5: New Zealand requires a proposal with corrective measures and an explanation for non-compliance presented to the legislature; no information on the type of rule available.

4.4. Types and legal foundation of fiscal rules, 2018

	Budget balance (deficit/ surplus)	Debt	Expenditure	Revenue
Brunei Darussalam	x	x	x	x
Cambodia	x	◉	x	x
Indonesia	◉	◉	x	x
Lao PDR	◉	x	◉	◉
Malaysia	⦸	◉	x	x
Myanmar	⦸	x	x	x
Philippines	⦸	x	x	x
Singapore	●	◉	◉	x
Thailand	x	⦸	◉	x
Viet Nam	◉	◉	◉	❑
SEA Total (yes)	7	6	4	2
Australia	❍	❍	x	❍
Japan	◉	⦸	⦸	◉
Korea	⦸	⦸	⦸	◉
New Zealand	❍	❍	❍	❍
OECD Total (yes)	33	29	27	15

Key:
● Constitution
⭘ International treaty
◉ Primary legislation/Secondary legislation
⦸ Internal rules/policy
❍ Political commitment
❑ Other
x No / Not applicable

Sources: For SEA countries, OECD (2018) Budget Practices and Procedures Survey for Asian Countries. For OECD countries, OECD (2018) Budget Practices and Procedures Survey.

StatLink https://doi.org/10.1787/888933840855

4.5. Enforcement mechanisms for fiscal rules, 2018

Type of rule/ Correction mechanisms	Automatic correction mechanisms	Automatic sanctions	Entity must implement measures	Proposal with corrective measures presented to the legislature	None
Expenditure	Thailand		Lao PDR, Thailand, Viet Nam	Thailand, Viet Nam	Singapore, Japan, Korea
Budget balance			Indonesia, Lao PDR	Myanmar, Viet Nam	Malaysia, Philippines, Singapore, Australia, Japan, Korea
Debt	Thailand		Cambodia, Indonesia, Thailand	Viet Nam	Malaysia, Singapore, Australia, Japan, Korea
Revenues			Lao PDR	Viet Nam	Australia, Japan, Korea

Sources: For SEA countries, OECD (2018) Budget Practices and Procedures Survey for Asian Countries. For OECD countries, OECD (2018) Budget Practices and Procedures Survey.

StatLink https://doi.org/10.1787/888933840874

Medium-term expenditure frameworks (MTEFs) are an important tool for overcoming the limitations of the annual budget cycle by adopting a medium-term perspective for achieving government fiscal objectives. They generally span a period of at least three years beyond the current budget. MTEFs are typically defined by combining expenditure ceilings and a baseline estimation of government policies' costs that are continually updated.

MTEFs improve budget formulation by encouraging the development of spending plans on the basis of existing resources and by promoting fiscal discipline. By incorporating a medium-term perspective in the budget process, they allow for a more efficient resource allocation aligned with the government's goals, and they link the annual budget to multi-year policies. Moreover, MTEFs can increase budget stability by decreasing uncertainty in the financial flows for ministries and agencies, affording time to adjust and plan their operations accordingly.

A major challenge in implementing successful MTEFs is ensuring that expenditure estimates and ceilings are based on high-quality projections. Active co-ordination with line ministries and sub-national governments, both of which account for large amounts of government expenditure is also required.

More than two-third of SEA countries (70%), and nearly all OECD countries (91%), have established a medium-term expenditure framework. Their legal foundation may be an important factor in determining the effectiveness of MTEFs: it is illustrated by the degree to which they are stipulated in legislation, decided by the executive or the legislative, and subsequently monitored by the legislative or independent bodies. For example, having an MTEF defined in a law may enhance effectiveness as it opens it to greater accountability and transparency.

Of ten SEA countries, only Indonesia, Thailand and Viet Nam have laws detailing the existence of an MTEF or of budget ceilings at some level of expenditure. For OECD countries this applies in 72% of cases (24 countries out of 33). Similarly to OECD countries in the SEA region, ceilings range mainly from 3 to 5 years. Unlike OECD countries (66%), only 30% of SEA countries have ceilings in place for total expenditures, with most countries focusing instead on organisational expenditures per ministry level or other. Only Viet Nam has ceilings in place for programme or sector expenditures.

Methodology and definitions

Data for SEA countries refer to country responses to the 2018 OECD Budget Practices and Procedures Survey for Asian Countries. OECD country responses are to the 2018 OECD Budget Practices and Procedures Survey. Respondents were predominantly senior budget officials in SEA countries and OECD countries. Responses represent the countries' self-assessments of current practices and procedures. Data refer only to central/federal governments and exclude the sub-national level. OECD totals are based on responses by 33 OECD countries as no 2018 data is available for the United Kingdom and the United States.

An MTEF is a structured approach to integrating fiscal policy and budgeting over a multi-year horizon. Aggregate fiscal forecasts are linked to medium-term budget estimates by ministries, reflecting existing government policies. Forward estimates of expenditures become the basis of budget negotiations in the years following the budget and the forward estimates are reconciled with final outcomes in fiscal outcome reports.

Further reading

ADB (2002), "Linking Planning and Budgeting: The Medium Term Expenditure Framework", Asian Development Bank, The Governance Brief, No. 2, *https://www.adb.org/sites/default/files/publication/28647/governancebrief02.pdf*.

OECD (2014), Budgeting Practices and Procedures in OECD Countries, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264059696-en*.

World Bank (2013), "Beyond the Annual Budget: Global Experience with Medium Term Expenditure Frameworks", World Bank, Washington, DC, *http://dx.doi.org/10.1596/978-0-8213-9625-4*.

Figure notes

Cambodia indicated intentions to introduce a MTEF in early 2018.

Thailand's MTEF is stipulated in the 2018 Fiscal Responsibility Act of 19 April 2018.

Viet Nam's 2015 State budget law stipulates a three-year medium-term framework, but doesn't stipulate the medium term ceilings in the budget.

Australia's legal basis is the Charter of Budget Honesty Act which requires the government to prepare estimates for the budget year and the following three financial years. The Act requires the Government to publish its fiscal strategy.

New Zealand's MTEF is based on a law requiring departmental baselines, with budget rules stipulating process for rolling over the forthcoming fiscal year.

4.6. Medium-term perspective in the budget process at the central level of government, 2018

	Existence and legal basis of MTEF	Main characteristics		Target(s) of expenditure ceilings		
		Length of ceilings (including upcoming fiscal year)	Frequency of ceilings revisions	Total expenditures	Programme or sector expenditures	Organisational expenditures
Brunei Darussalam	⦸	x	x	x	x	x
Cambodia	⦸	x	x	x	x	x
Indonesia	●	4 years	Annually			✓
Lao PDR	⦸	x	x	x	x	x
Malaysia	❍	3 years	Annually	✓		
Myanmar	❍	3 years	Annually			✓
Philippines	❍	6 years or more	Annually	✓		
Singapore	❍	5 years	Every 5 years			✓
Thailand	●	3 years	Annually			✓
Viet Nam	✓	3 years	Annually	✓	✓	✓
Australia	✓	4 years	More than once per year			
Japan	❍	3 years	Not revised	✓	✓	
Korea	●	5 years	Annually	✓	✓	
New Zealand	✓	4 years	Annually	✓		✓

Key:

● Yes: in a law which stipulates both the existence of a MTEF and budget ceilings
⦿ Yes: in a law stipulating that spending thresholds should not exceed medium term estimates
❍ Yes: in a strategy/policy stipulating the MTEF and/or budget ceilings
✓ Yes
⦸ No
x Not applicable (e.g. No MTEF in place)

Sources: For SEA countries, OECD (2018) Budget Practices and Procedures Survey for Asian Countries. For OECD countries, OECD (2018) Budget Practices and Procedures Survey.

StatLink https://doi.org/10.1787/888933840893

The budget is one of the most strategic policy documents enshrining government priorities and objectives. The budget is also the means for parliament, citizens and non-government organisations to hold the government to account for its use of resources. Increasing transparency in the use of public funds is crucial to fostering responsibility and integrity as well promoting an open and inclusive budget process. Transparent and inclusive budgeting can also support better fiscal outcomes and promote better public sector performance through more responsive, impactful and equitable public policies. As highlighted in the *OECD Toolkit on Budget Transparency* (2017), "there are various definitions of budget transparency and fiscal transparency, but they can all be summarised in one core concept: budget transparency means being fully open with people about how public money is raised and used."

The national budget in SEA and OECD countries make available different types of budget information to the public. All SEA countries and all OECD countries in the Asia and Pacific region publish the approved budget. The majority of SEA countries also publish the budget proposal (60%) and the budget circular (70%).

Unlike OECD countries, where the practice is common (85%, including all OECD countries in the Asia and Pacific region), only half of the SEA countries release the underlying methodology and economic assumptions of the fiscal projections supporting the budget. Sensitivity analyses are published by few SEA countries (30%), whereas 73% of OECD countries publish them. The situation of the OECD countries in the Asia and Pacific region is similar: three out of four countries publish sensitivity analyses of fiscal and/or macroeconomic models. While these assumptions and analyses are often technical and complex in nature, they represent an essential component of the budget, as their matching with reality affects fiscal performance and the future credibility of government.

Eight out of ten SEA countries produce documents on the long-term perspective on total revenue and expenditure, although only the Philippines have currently made them publicly available. The majority of OECD countries (73%), however, produce long-term projections that are publicly available.

Citizens' budgets, or citizens' guides to the budget, allow governments to explain in plain language the objectives of the budget and provide key information. By helping citizens and non-government organisations to understand the budgeting process and to assess its impact on their own circumstances, citizens' budgets promote inclusiveness and government accountability. Currently, 80% of the countries in the SEA region indicated that they produce and publish citizens' budgets, compared to 63% in OECD countries.

Methodology and definitions

Data for SEA countries refer to country responses to the 2018 OECD Budget Practices and Procedures Survey for Asian Countries. OECD country responses are to the 2018 OECD Budget Practices and Procedures Survey. Respondents were predominantly senior budget officials in SEA countries and OECD countries. Responses represent the countries' self-assessments of current practices and procedures. Data refer only to central/federal governments and exclude the sub-national level. OECD totals are based on responses by 33 OECD countries as no 2018 data is available for the United Kingdom and the United States.

A budget circular is a document/memorandum issued by the central budget authority to guide line ministries/agencies in the formulation of their initial budget proposals/budget estimates.

A citizens' guide to the budget is defined as an easy-to-understand summary of the main features of the annual budget presented to the legislature. It should be a self-contained document that explains what is in the annual budget proposals and what their effects are expected to be.

Long-term fiscal projections could help identify the probable future expenses and revenues in light of forecasted demographic and economic developments, and can contribute to the political discussion of a broader reform agenda. They usually span 10-50 or more years.

Further reading

OECD (2017), *OECD Budget Transparency Toolkit: Practical Steps for Supporting Openness, Integrity and Accountability in Public Financial Management*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264282070-en*

OECD (2002), "OECD Best Practices for Budget Transparency", *OECD Journal on Budgeting*, Vol. 1/3, *https://doi.org/10.1787/budget-v1-art14-en*

Petrie, M. and J. Shields (2010), "Producing a Citizens' Guide to the Budget: Why, What and How?" *OECD Journal on Budgeting*, Vol. 10/2, OECD Publishing, Paris, *http://dx.doi.org/10.1787/budget-10-5km7gkwg2pjh*

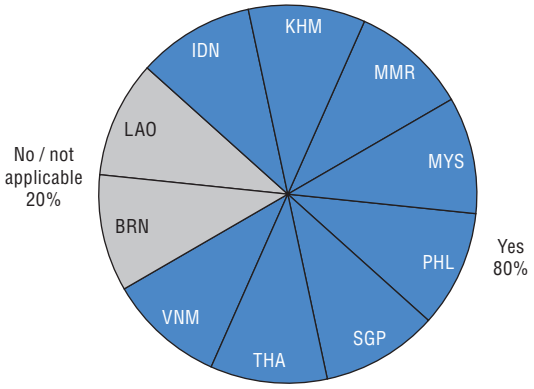
4.7. Budgetary information made publicly available, 2018

	Budget proposal	Budget approved	Methodology and economic assumptions for establishing fiscal projections	Sensitivity analyses of fiscal and/or macroeconomic models	Budget circular	Independent reviews/analyses of macroeconomic and/or fiscal assumptions	Pre-budget report	Long term perspective on total revenue and expenditure
Brunei Darussalam	○	●	○	○	○	○	○	x
Cambodia	○	●	●	●	●	●	●	○
Indonesia	●	●	●	●	●	x	●	○
Lao PDR	●	●	○	○	●	○	●	○
Malaysia	●	●	○	○	●	x	x	○
Myanmar	○	●	○	○	○	●	○	○
Philippines	●	●	●	●	●	x	●	●
Singapore	●	●	○	○	○	○	x	○
Thailand	●	●	●	○	●	●	○	○
Viet Nam	○	●	●	x	●	x	●	x
SEA Total								
● Publicly available	6	10	5	3	7	3	5	1
○ Not publicly available	4	0	5	6	3	3	3	7
x Not applicable	0	0	0	1	0	4	2	2
Australia	●	●	●	●	○	●	○	●
Japan	●	●	●	●	●	●	●	x
Korea	●	●	●	○	●	○	x	●
New Zealand	●	●	●	●	○	●	●	●
OECD Total								
● Publicly available	33	33	28	24	20	28	23	24
○ Not publicly available	0	0	5	6	12	1	5	1
x Not applicable	0	0	0	3	1	4	5	8

Sources: For SEA countries, OECD (2018) Budget Practices and Procedures Survey for Asian Countries. For OECD countries, OECD (2018) Budget Practices and Procedures Survey.

StatLink https://doi.org/10.1787/888933840247

4.8. Publication of citizens' budget, 2018



Source: OECD (2018) Budget Practices and Procedures Survey for Asian Countries.

StatLink https://doi.org/10.1787/888933840912

Legislative scrutiny and oversight underpin budget transparency. Legislative debate on the budget and related documentation in the plenary and in committee provides an opportunity to build public awareness of the government's spending priorities and policy objectives. In turn, legislative scrutiny of budget execution helps ensure that public funds are being used as intended and that policies are achieving planned results.

Strengthening analytical resources, hiring adequate committee staff and allowing committees to consult experts all serve to enhance legislative effectiveness and redress the capacity imbalance between the legislature and the executive. While legislatures in SEA countries have traditionally played a fairly limited role in the budget process, a growing number are working towards developing stronger analytical capacity with, for example, the establishment of parliamentary budget offices (PBOs) or specialised budgetary research units. This is in line with similar trends within the OECD, where the number of such institutions has more than tripled in the past decade, although offices in SEA countries tend to have less formal independence. Of the four OECD countries in the region, Korea has the second largest PBO worldwide, Australia has a PBO focused on policy costing, and the Japanese Diet has specialised budget research services. The New Zealand government is considering setting up a PBO.

The Philippines stands out as an early adopter of the PBO model, establishing an independent office in 1990 modelled in part on the US Congressional Budget Office. The office has undergone several iterations in 2010 and in 2015 when it was brought under the direct control of the House Speaker of the Philippines and now consists of two bureaus covering socio-economic, budget and tax research. Indonesia, Thailand and Viet Nam have either a PBO or specialised budgetary research unit and Cambodia has been exploring setting up a parliamentary budget office. As a first step, the Parliamentary Institute of Cambodia has provided training on budget issues for parliamentary staff. By contrast, in Malaysia and Singapore – legislatures with a Westminster heritage – the focus is more on *ex post* accountability through the work of the public accounts committee.

The analysis provided by PBOs and specialised budgetary research units helps to make often complex and detailed budget information understandable to the legislature and other stakeholders (media, academia, and the public at large).In addition to analysis of the executive's budget proposal (most common), these institutions may produce assessments of government forecasts, tax analysis or costings of policy proposals, among others. The main clients for this analysis within parliaments are budget committees and typically the analysis is made available to the public.

Methodology and definitions

Data for SEA countries refer to country responses to the 2018 OECD Budget Practices and Procedures Survey for Asian Countries. OECD country responses are to the 2018 OECD Parliamentary Budgeting Practices. Respondents were predominantly senior budget officials or parliamentary budget officials in SEA and OECD countries. Responses represent countries' self-assessments of current practices and procedures. Data refer only to central/federal governments and exclude the sub-national level. OECD totals are based on responses by 34 OECD countries with data missing from Mexico.

Further reading

ADB (2018) "A Comparative Analysis of Tax Administration in Asia and the Pacific", Asian Development Bank, Manila, *http://dx.doi.org/10.22617/TCS189264*.

OECD (2017), "OECD Budget Transparency Toolkit: Practical Steps for Supporting Openness, Integrity and Accountability in Public Financial Management", OECD Publishing, Paris, *https://doi.org/10.1787/9789264282070-en*.

OECD (2014), "Recommendation of the Council on Principles for Independent Fiscal Institutions", OECD Publishing, Paris, *https://www.oecd.org/gov/budgeting/OECD-Recommendation-on-Principles-for-Independent-Fiscal-Institutions.pdf*.

von Trapp, L., I. Lienert and J. Wehner (2016), "Principles for independent fiscal institutions and case studies", OECD Journal on Budgeting, Vol. 15/2,*http://dx.doi.org/10.1787/budget-15-5jm2795tv625*.

Figure notes

Countries reporting other type of support available to parliament for specialized advice on budget include:

Brunei Darussalam: Clerk and Deputy Clerk of the Legislative Council. Brunei Darussalam's Legislative Council, a consultative body comprised of 36 appointed members, meets annually in March to discuss and approve the annual budget and revenue estimates.

Australia: specialised staff of sectoral committees. The Australian Parliament does not have a budget committee.

Japan: in addition to the budget research offices in both houses, the National Diet Library has a Financial Affairs Research Service.

New Zealand: committees receive support from the Office of the Controller and Auditor-General, and the Office of the Clerk of the House can contract specialists if requested by a committee. A PBO is planned.

4.9. Analytical support available to parliament, 2018

	Who provides specialized budget analysis to the legislature?			
	Parliamentary Budget Office (PBO) or specialised research unit	Specialised staff of Budget/Finance Committee	Specialised staff in political party secretariats	Individual member's staff
Brunei Darussalam	❍	❍	❍	❍
Cambodia	❍	●	❍	❍
Indonesia	●	❍	❍	●
Lao PDR	❍	●	❍	❍
Malaysia	❍	❍	❍	❍
Myanmar	❍	❍	❍	❍
Philippines	●	●	❍	●
Singapore	❍	❍	❍	❍
Thailand	●	●	●	●
Viet Nam	●	●	❍	❍
SEA Total				
● Yes	4	5	1	3
❍ No	6	5	9	7
Australia	●	❍	●	●
Japan	●	●	●	●
Korea	●	●	●	●
New Zealand	❍	❍	❍	❍
OECD Total				
● Yes	22	19	20	15
❍ No	12	15	14	19

Key

● Yes

❍ No

Sources: For SEA countries, OECD (2018) Budget Practices Survey. For OECD countries, OECD (2018) Parliamentary Budgeting Practices Survey.

StatLink https://doi.org/10.1787/888933840931

Public-private partnerships (PPPs) are long-term contractual agreements between the government and a private sector partner. The latter typically finances and delivers public services using a capital asset (e.g. transport infrastructure, hospital), sharing the associated risks. PPPs may deliver public services both with regard to infrastructure assets (such as bridges, roads) and social assets (such as hospitals, utilities, prisons).

The private party is often responsible for the design, construction, financing, operation, management and delivery of the service for a pre-determined period of time, receiving its compensation from fixed unitary payments or tolls charged to users. An effective management and a strong institutional capacity are necessary to ensure the success of PPP projects and their fiscal sustainability in the long term. Without a comprehensive legal and regulatory framework, risk sharing, budget liabilities and renegotiations later in the process can become objects of dispute and hinder the project's outcome. PPPs also risk being used to keep government spending and liabilities out of deficit and debt headline measures. Moreover, the long-term nature of PPPs can prove too inflexible, costly and burdensome for the changing needs of the public sector and evolving technology.

All SEA countries use PPPs. However, the institutional arrangements at the central/federal level of government are quite diverse in the region. Out of the seven SEA countries with PPP units, four created PPP units within their ministry of finance to manage the partnerships; two have a PPP unit within line ministries; and Malaysia's PPP unit is in the Prime Minister's Office. In comparison, while all OECD countries that responded to the survey use PPPs (26), 11 do not have PPP units. Out of the 15 OECD countries with PPP units, 12 have dedicated PPP units reporting to the ministry of finance and 8 have PPP units reporting to line ministries; some have both. Dedicated PPP units have been shown to help in the design and procurement process of PPPs and to increase effectiveness in project delivery.

Absolute and relative value for money assessments are commonly carried out by SEA countries. Absolute value for money tests determine whether a project provides overall value for money for society. In turn, relative assessments compare different forms of procurement and establish which is most efficient. The assessments judge in particular whether PPPs or traditional infrastructure procurement (TIP) projects are the most efficient form of delivery.

Half of SEA countries perform relative assessments for all PPPs (public sector comparators) to evaluate whether PPPs are more efficient than TIPs, while Myanmar and Singapore only do so for projects above a certain threshold. Absolute value for money assessments for TIPs and PPPs are also common in the SEA region (70% of SEA countries undertake them for all projects). All the OECD countries in the SEA region that responded to the survey use relative and absolute assessments for all projects, or at least for projects above a certain monetary threshold.

Results suggest that few SEA countries perceive PPPs to perform better than TIPs. However, most SEA countries reported that it is hard to make a judgment due to the lack of data or expertise. Further analyses and assessments are needed for informed decision making and hence to improve PPP implementation.

Methodology and definitions

Data for SEA countries refer to country responses to the 2018 OECD Budget Practices and Procedures Survey for Asian Countries. OECD country responses are to the 2018 OECD Capital Budgeting and Infrastructure Governance Survey. Respondents were predominantly senior budget officials in SEA countries and OECD countries. Responses represent the countries' self-assessments of current practices and procedures. Data refer only to central/federal governments and exclude the sub-national level. OECD totals are based on responses by 26 OECD countries, as no 2018 data are available for Belgium, Canada, Estonia, Finland, Iceland, Korea, Latvia, Poland and the United States.

The applied PPP concept in this chapter includes both pure PPPs and concessions.

A PPP unit is an organisation that has been set up by government to centrally facilitate, promote or improve PPPs across government departments.

Methodologies for relative value for money assessment and absolute value for money tests vary by country.

Further reading

OECD (2017), *Getting Infrastructure Right: A Framework for Better Governance*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264272453-en*.

OECD (2012), "Recommendation of the Council on Principles for Public Governance of Public-Private Partnerships", OECD Publishing, Paris, *www.oecd.org/gov/budgeting/PPP-Recommendation.pdf*.

World Bank Group (2018), "Procuring Infrastructure Public-Private Partnerships Report", World Bank, Washington, *https://ppp.worldbank.org/public-private-partnership/library/procuring-infrastructure-ppps-2018*.

Figure notes

4.10: The OECD total for use of public-private partnerships includes Switzerland where the PPP instrument is allowed but rarely used.

4.11: No data are available for OECD countries.

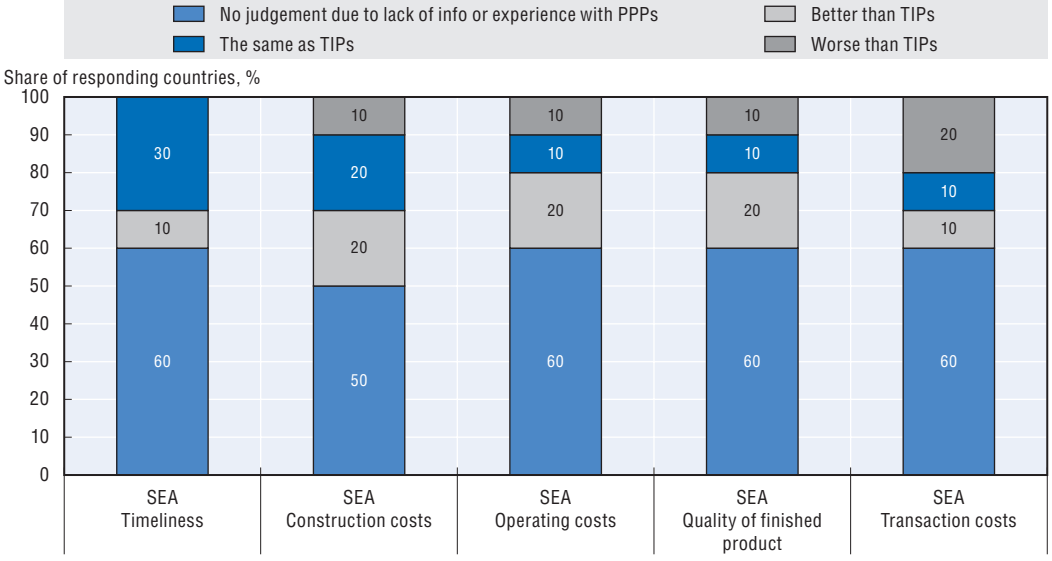
4.10. Dedicated PPP units and value for money assessments of PPPs and TIPs, 2018

	Use of public private partnerships	Existence of PPP unit				Use of relative value for money assessments	Use of absolute value for money assessments	
		Dedicated PPP unit reporting to Ministry of Finance	Dedicated PPP units reporting to line ministries	Other PPP unit	No dedicated PPP unit exists in central/federal government	For PPPs	For PPPs	For TIPs
Brunei Darussalam	✓	✓				◉	◉	□
Cambodia	✓	✓				◉	●	●
Indonesia	✓	✓				◉	●	●
Lao PDR	✓				✓	●	●	●
Malaysia	✓			✓		●	●	●
Myanmar	✓				✓	○	○	○
Philippines	✓		✓			●	●	●
Singapore	✓				✓	○	○	○
Thailand	✓	✓				●	●	●
Viet Nam	✓		✓			●	●	●
SEA Total	10	4	2	1	3			
● Yes, for all projects						5	7	7
○ Yes, for those above certain monetary threshold						2	2	2
◉ Yes, ad hoc basis						3	1	0
❍ Yes, other						0	0	0
□ No						0	0	1
Australia	✓		✓			●	●	●
Japan	✓	✓				○	●	●
Korea	✓							
New Zealand	✓	✓				●	●	○
OECD Total	26	12	8	2	11			
● Yes, for all projects						9	11	9
○ Yes, for those above certain monetary threshold						5	4	5
◉ Yes, ad hoc basis						2	2	1
❍ Yes, other						5	3	4
□ No						5	6	5
x Not applicable / survey not answered						0	0	2

Sources: For SEA countries, OECD (2018) Budget Practices and Procedures Survey for Asian Countries. For OECD countries, OECD (2018) Capital Budgeting and Infrastructure Governance Survey.

StatLink https://doi.org/10.1787/888933840950

4.11. Countries' assessments of PPPs relative to TIPs along various dimensions, 2018



Source: For SEA countries: OECD (2018) Budget Practices and Procedures Survey for Asian Countries.

StatLink https://doi.org/10.1787/888933840969

Chapter 5

Human resources management

Human resources management (HRM) decisions may be taken by central HRM authorities or delegated to line ministries, departments or agencies. Delegating responsibilities – for example on remuneration, recruitment, performance assessment or dismissal – empowers and enables public managers to better adapt working conditions to their organisations' needs and to individual employees' merits. Under appropriate framework conditions and minimum standards, delegation could lead to a better alignment of human resources (HR) planning and business strategy. However, without some degree of central oversight, arrangements may instead lead to uneven pay scales, limited opportunities for government-wide strategic HR planning and mobility, and risk nepotism and political interference in staffing decisions. Delegating HRM also requires developing the accompanying HRM competencies at the level where decisions are to be taken.

The composite index presented here summarises the extent of delegation of HRM practices in central government. All nine SEA countries that responded to the survey practice a relatively low degree of HRM delegation, below the OECD average, but close to the level of Korea and Japan from among the OECD countries in the region. Among SEA countries, the Philippines and Viet Nam delegate a high number of issues related to work conditions to the department level and/or unit level. In contrast, Brunei Darussalam and Malaysia, the two SEA countries with the lowest degree of delegation, do not delegate HRM practices to the unit level at all and only rarely to the department level.

Like all OECD countries except Germany and the Slovak Republic, all SEA countries have at least a central HRM unit. In Lao PDR for example, HRM responsibilities are shared between the Ministry of Home Affairs – responsible for positions from administrative staff to Level 3 positions (Deputy Director General) – and the Central Committee of Personnel, responsible for the senior civil service and positions from Level 2 (Director General) to President (General State Secretary).

In Malaysia, which delegates least in SEA, the Public Service Department is responsible for determining the general management of pay systems; working condition flexibility; allocating the budget envelope between payroll and other expenses; performance appraisal systems; and the number and types of posts within organisations. Ministries have some latitude in issues like performance-related pay and recruitment to the civil service. In contrast, Viet Nam delegates the most in SEA. In the Philippines, while the Department of Budget and Management is in charge of all pay-related issues, it is a separate agency from the Ministry of Finance. In Singapore, which falls near the SEA average, the central HR body determines recruitment policy; but ministries, departments or agencies have some scope to apply the general principles and in deciding to hire individuals.

Individual career management is among the functions that tend to be the most delegated to the unit and team levels, namely in Cambodia, Indonesia and Viet Nam. Viet Nam is also the only SEA country that delegates the recruitment of individuals to the civil service and the performance appraisal system to the unit/team level. In OECD countries, individual career management is also among the main functions that are delegated to ministries, unit or team level, although in most OECD countries this remains a central HRM body function.

Methodology and definitions

Data were collected through the OECD Strategic Human Resource Management Survey and refer to 2016 for OECD countries and 2018 for SEA countries. Respondents were predominately senior officials in central government HRM departments, and data refer to HRM practices in central government. The survey was completed in 2018 by all SEA countries except Myanmar and in 2016 by 35 OECD countries.

The terms public and civil service/servants are used interchangeably throughout this chapter.

The index on delegation of HRM practices is composed of the following variables: the existence of a central HRM body, and the role of line ministries in determining the number and types of posts within organisations; the allocation of the budget envelope between payroll and other expenses; staff compensation levels; position classification, recruitment and dismissals; and conditions of employment. The index ranges from 0 (no delegation) to 1 (high level of delegation). Missing data for countries were estimated by mean replacement.

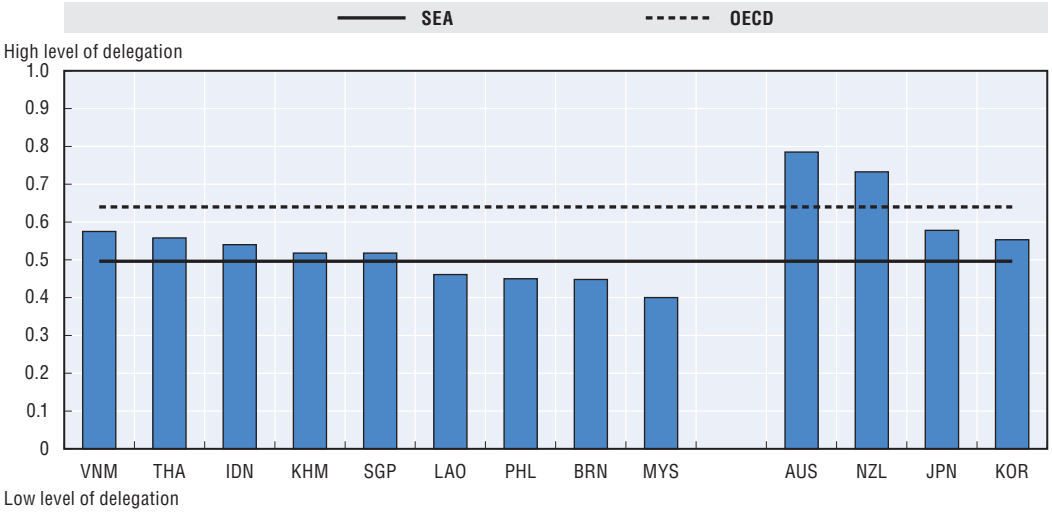
See Annex A for further details on the methodology and factors used in constructing the index. The variables composing the index and their relative importance are based on expert judgements. They are presented with the purpose of furthering discussion, and consequently may evolve over time.

Further reading

OECD (2017), *Skills for a High Performing Civil Service*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264280724-en*.

OECD (2011), *Public Servants as Partners for Growth: Toward a Stronger, Leaner and More Equitable Workforce*, OECD Publishing, Paris, *https://doi.org/10.1787/9789264166707-en*.

5.1. Extent of delegation of human resources management practices in line ministries in central government, 2018



Sources: For SEA countries, OECD (2018) Strategic Human Resources Management Survey. For OECD countries, OECD (2016) Strategic Human Resources Management Survey.

StatLink https://doi.org/10.1787/888933840988

5.2. Delegation of key HRM responsibilities to line ministries in central government, 2018

	General management of pay systems (salary levels, progressions)	Flexibility of working conditions (number of hours, etc)	Allocation of budget envelope between payroll and other expenses	Performance appraisal systems	Management of the variable portion of pay benefits; performance-related pay	Number and types of posts within organisations	Recruitment into the civil service
Brunei Darussalam	◆	◆❖■	◆	◆	◆❖	◆■	❖
Cambodia	◆	◆	◆	◆❖■	◆❖■	❖	◆■
Indonesia	◆❖■	◆❖	◆	◆❖	◆❖■	◆❖	■
Lao PDR	◆❖	◆	◆	◆	◆❖	◆	❖■
Malaysia	◆	◆	◆	◆	◆❖■	◆	❖
Philippines	◆	◆❖■	◆	◆❖■	◆	◆■	❖
Singapore	◆	❖	◆■	◆	◆❖■	◆■	❖■
Thailand	❖■	❖	◆❖	❖	◆❖	◆❖	■
Viet Nam	◆	◆❖■	◆❖	◆❖■▲	◆❖■	◆❖■	◆❖▲
SEA Total							
Central HRM body/Ministry of Finance = ◆	8	7	9	8	9	8	2
Central HRM body but with some latitude for ministries/agencies = ❖	3	6	2	4	8	4	5
Ministries/agencies = ■	2	3	1	3	5	4	5
Unit/team level = ▲	0	0	0	1	0	0	1
x = not applicable/not available	0	0	0	0	0	0	0
Australia	■	■	■	■	■	■	■▲
Japan	❖	❖	x	❖	❖	❖	❖
Korea	◆	◆	◆	❖	❖	x	❖
New Zealand	■	■	x	■	■	x	■
OECD Total							
Central HRM body = ◆	19	14	18	15	7	11	8
Central HRM body but with some latitude for ministries/agencies = ❖	6	7	2	6	8	5	6
Ministries/agencies = ■	12	23	20	18	23	23	25
Unit/team level = ▲	0	4	0	4	4	0	8
x = not applicable/not available	1	0	3	1	3	3	0

Sources: For SEA countries, OECD (2018) Strategic Human Resources Management Survey. For OECD countries, OECD (2016) Strategic Human Resources Management Survey.

StatLink https://doi.org/10.1787/888933841007

Society's ongoing digital transformation, rising incomes and education levels have changed citizens' expectations of public administration, with new demands on public sector performance. Building a performance culture in the public sector can start with effective performance management – fundamental for improving public service quality while carefully managing limited resources.

Performance indicators for policies and services can help define the employee's, manager's and organisation's objectives and responsibilities, as well as the government's overall priorities. This helps clarify staff's organisational goals, giving a better understanding of their role within the organisation and how to best contribute to its strategic objectives. Performance assessments incentivise better performance through individual and collective feedback. Assessments can also identify development objectives; gaps in skills; and feed into strategic HR planning and training.

As in most OECD countries, formal performance assessments are mandatory for almost all employees in SEA central governments. The composite indicator assesses the use of performance assessments to inform HR decisions, including formal requirements, tools used and implications for employees.

Singapore and Thailand integrate performance assessments into their HR decision making more than other SEA countries. In the others, performance appraisals are important for career advancement, remuneration or contract renewal, and meetings with an immediate superior can be every six months. However, in Cambodia and Lao PDR performance assessments feature less in HR decisions (i.e. for contract renewal or remuneration).

All SEA countries that responded to the survey collect employee performance data. In Malaysia, the Philippines, Viet Nam and Brunei Darussalam data are collected and aggregated centrally. In Brunei Darussalam, ministries are responsible for entering and updating data into a central government employee management system. While Singapore and Thailand collect and standardise data to hold at ministry level, in Cambodia, Indonesia and Lao PDR data are collected by individual ministries or agencies but not standardised. OECD countries in the region tend to collect data at ministry level.

Performance-related pay (PRP) is a common incentive in SEA and OECD countries. All surveyed SEA countries have one or more PRP mechanisms for most central government employees except Viet Nam, Lao PDR and Brunei Darussalam. In Singapore, which uses PRP the most in the region, PRP can include one-off performance bonuses, permanent pay increments or promotions, and make up to 65% of base salary – the highest in SEA. This is comparable to Japan, an OECD country that uses PRP to a greater extent. The other three OECD countries in the region also have PRP mechanisms.

PRP schemes can succeed if performance goals are clearly established, performance is solely dependent on the efforts of the individual (or group) and if management carries out evaluations objectively. Without these conditions PRP could lead to "gaming" and lower employee motivation and engagement. As a result, to improve public sector performance, many OECD countries are now exploring ways to measure and manage employee engagement. Leading practices in this field are based on regular employee surveys and benchmarking reports.

Methodology and definitions

Data were collected through the OECD Strategic Human Resource Management Survey and refer to 2016 for OECD countries and 2018 for SEA countries. Respondents were predominately senior officials in central government HRM departments, and data refer to HRM practices in central government. The survey was completed in 2018 by the SEA countries except Myanmar, and in 2016 by 35 OECD countries. Data are not included for New Zealand for the performance assessment index.

The terms public and civil service/servants are used interchangeably in this chapter.

The index on performance assessment is composed of the variables: existence of a formalised performance assessment; use of performance assessment tools; performance assessment criteria; importance of performance assessment for career advancement, remuneration and contract renewal. The index on PRP is composed of the variables: use of a PRP mechanism and for which staff categories; use of one-off bonuses and/or merit increments; and maximum proportion of basic salary that PRP represents.

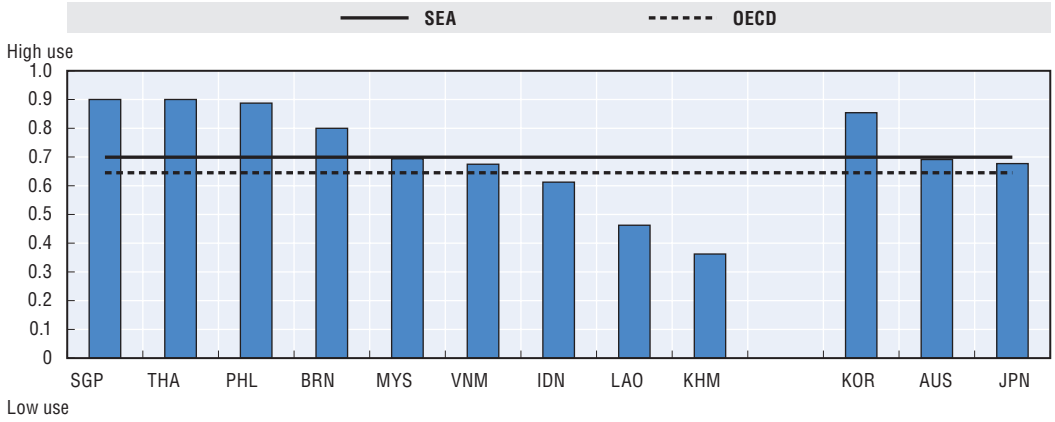
Indices range between 0 (low use) and 1 (high use). Missing data were estimated by mean replacement. Indices provide information on the formal use of performance assessments and PRP in central government, but do not provide any information on their implementation or the quality of work performed.

See Annex A for further details on the methodology and factors used to construct the index. The variables composing the index and their relative importance are based on expert judgements. They are presented with the purpose of furthering discussion, and consequently may evolve over time.

Further reading

OECD (2016), *Engaging Public Employees for a High-Performing Civil Service*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264267190-en*.

5.3. Extent to which performance assessments in HR decisions are used in central government, 2018



Sources: For SEA countries, OECD (2018) Strategic Human Resources Management Survey. For OECD countries, OECD (2016) Strategic Human Resources Management Survey.

StatLink https://doi.org/10.1787/888933841026

5.4. Collection and aggregation of employee performance data, 2018

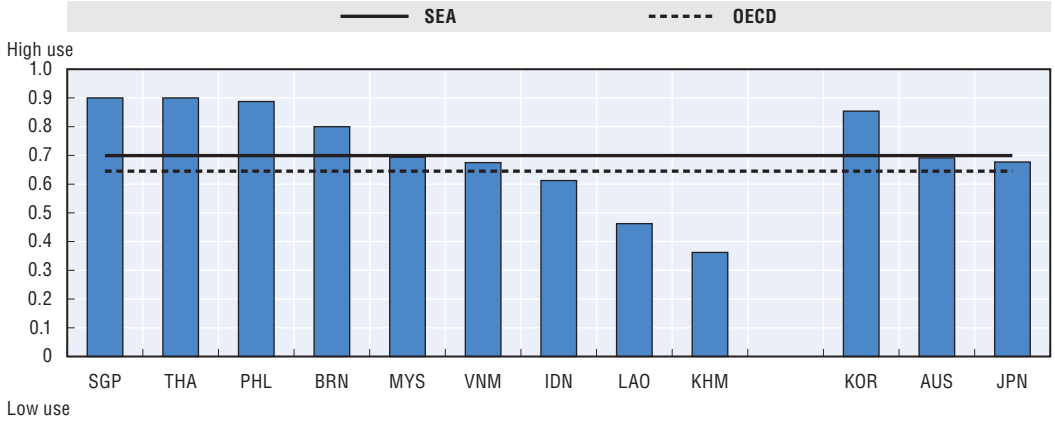
	Collected/aggregated centrally and updated regularly	Collected and held at Ministry level, standardised	Collected by ministries/agencies, not standardised
Brunei Darussalam	●	○	○
Cambodia	○	○	●
Indonesia	○	○	●
Lao PDR	○	○	●
Malaysia	●	○	○
Philippines	●	○	○
Singapore	○	●	○
Thailand	○	●	○
Viet Nam	●	○	○
SEA Total	4	2	3
Australia	○	○	●
Japan	○	○	●
Korea	○	●	○
New Zealand	○	○	●
OECD Total	12	4	14

Key:
Yes = ●
No = ○

Sources: For SEA countries, OECD (2018) Strategic Human Resources Management Survey. For OECD countries, OECD (2016) Strategic Human Resources Management Survey.

StatLink https://doi.org/10.1787/888933841045

5.5. Extent to which performance-related pay is used in central government, 2018



Sources: For SEA countries, OECD (2018) Strategic Human Resources Management Survey. For OECD countries, OECD (2016) Strategic Human Resources Management Survey.

StatLink https://doi.org/10.1787/888933840380

Government performance is strongly influenced by the quality and capacity of the senior civil service. Senior civil servants (SCS) are located at a critical junction between policy making and delivery, as well as between politicians and the bureaucracy. SCS lead their teams to execute challenging policy agendas quickly and draw from institutional expertise and experience to make evidence-based decisions. SCS are expected to be politically responsive, have a deep understanding of the citizens they serve, and be effective managers capable of steering high-performing public sector organisations.

Most governments recognise the distinct role of SCS by applying separate management rules and practices to this group. The composite indicator examines whether SCS are considered a distinct group of civil servants, whether policies exist for identifying leaders and potential talent early in their careers, and if SCS are managed differently from other civil servants.

The SEA region has a higher average score on this indicator than the OECD average. This is mainly due to the fact that seven out of the nine SEA countries who responded to our survey have policies to identify potential SCS early in their careers, which only happens in 11 OECD countries. Among the four OECD countries in the region, only New Zealand identifies potential leadership in performance assessments, and it is an informal and decentralised process.

With the understanding that the civil service is key to the development of all SEA countries and for regional co-operation, developing and selecting highly skilled SCS is one of the main priority areas for HR reform among SEA countries, as well as OECD countries. With the exception of Viet Nam, all SEA countries have a defined group of SCS. In Cambodia, Malaysia and Thailand, this is the result of common practice, whereas other SEA countries have formal defined arrangements (Brunei Darussalam, Indonesia, Lao PDR, the Philippines and Singapore). Most SEA countries (all except Cambodia and Lao PDR) also have a specific selection process for senior managers.

The SCS employment framework in SEA countries usually includes a greater emphasis on performance management than the framework for regular staff. However, only three countries – Indonesia, Malaysia and Thailand – assess their SCS against outcome, output and organisational management indicators. In five countries, SCS have a specific performance agreement with the minister; in six countries, SCS can be promoted as a direct result of good performance, compared to only five out of 35 OECD countries where competitions are applied as the major tool.

Furthermore, in fast-changing environments, attracting people with the right skills may sometimes require looking outside the civil service to access candidates with different backgrounds, experience and new skills than those traditionally found in career SCS.

The majority of OECD countries tend to open at least a good proportion of management positions to external candidates, like Korea, where all ministries are expected to open 10% to 20% of SCS positions to external candidates. SCS are also among the civil service positions where OECD countries have intentionally enhanced the use of external recruitment. In Australia for example, external recruitment of senior and middle managers has recently been increasing. These measures are the result of a workforce management review conducted in 2015, which recognised that the Australian Public Service needed to attract talent from other sectors. By contrast, in SEA countries, career progression within the civil service tends to be the most common path to identify SCS. Exceptions are Indonesia, where SCS are open to external recruitment, and the Philippines, where external candidates are recruited for a good proportion of SCS positions. Indonesia is the only SEA country surveyed that reports having adopted measures to enhance external recruitment of SCS.

Methodology and definitions

Data were collected through the OECD Strategic Human Resource Management Survey and refer to 2016 for OECD countries and 2018 for SEA countries. Respondents were predominately senior officials in central government human resources management (HRM) departments, and data refer to HRM practices in central government. The survey was completed in 2018 by the SEA countries except Myanmar, and in 2016 by 35 OECD countries.

The terms public and civil service/servants are used interchangeably throughout this chapter.

The index on senior civil service is composed of the following variables: the existence of a separate group of SCS; the existence of policies for early identification of potential SCS; the use of centrally defined skills profiles for SCS; and the use of separate recruitment, performance management and performance-pay practices for SCS. The index ranges between 0 (HRM practices not differentiated by SCS) and 1 (HRM practices highly differentiated for SCS). The index is not an indicator of how well SCS are managed or how they perform.

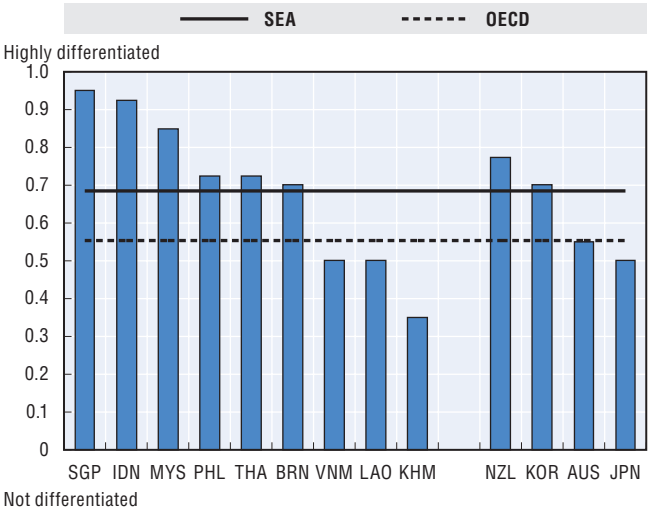
Further reading

OECD (2016), *Engaging Public Employees for a High-Performing Civil Service*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264267190-en*.

Figure notes

5.6: D1 managers are top public servants below the Minister of Secretary of State.

5.6. Extent to which separate human resources management practices are used for senior civil servants in central government, 2018



Sources: For SEA countries, OECD (2018) Strategic Human Resources Management Survey. For OECD countries, OECD (2016) Strategic Human Resources Management Survey.

StatLink https://doi.org/10.1787/888933841064

5.7. Identification of SCS, 2018

	Competitive examination early on in their careers	Career progression within the public service	Openess to external recruitment		Recent measures to enhance the external recruitment of SCS
			All positions	A good proportion of positions	
Brunei Darussalam	○	●	○	○	○
Cambodia	○	●	○	○	○
Indonesia	○	○	●	○	●
Lao PDR	○	●	○	○	○
Malaysia	●	●	○	○	○
Philippines	○	●	○	●	○
Singapore	○	●	○	○	○
Thailand	○	●	○	○	○
Viet Nam	○	●	○	○	○
SEA Total	1	8	1	1	1
Australia	○	○	●	●	●
Japan	○	●	○	○	○
Korea	●	○	○	●	●
New Zealand	○	○	○	●	○
OECD Total	4	11	18	11	11

Key:
Yes = ●
No = ○

Sources: For SEA countries, OECD (2018) Strategic Human Resources Management Survey. For OECD countries, OECD (2016) Strategic Human Resources Management Survey.

StatLink https://doi.org/10.1787/888933841102

5.8. Central government human resources management practices for SCS, 2018

	Existence of a separate group of SCS	SCS are encouraged to have more career mobility	SCS are recruited with a more centralised process	The appointment term of SCS is shorter than for regular staff	Existence of a performance-management regime for SCS	Selected features of the performance-management regime for SCS	
						Performance agreement at D1	Dismissal as a result of poor performance
Brunei Darussalam	●	●	○	○	❖	◆	○
Cambodia	●	○	●	○	○	x	○
Indonesia	●	●	○	●	●	◆❑	●
Lao PDR	●	○	●	○	●	◆	●
Malaysia	●	●	●	○	●	❑	○
Philippines	●	●	○	○	●	◆	●
Singapore	●	●	●	●	●	x	●
Thailand	●	●	○	○	●	◆	○
Viet Nam	○	○	○	●	●	x	○
SEA Total	8	6	4	3	7		4
Yes = ●							
No = ○							
No, it is the same for all civil servants = ❖					1		
No, performance agreement with Minister (at D1) = ◆						5	
Performance agreement with the Administrative head of the civil service (at D1) = ❑						2	
Not applicable = x						3	0
Australia	●	●	●	○	●	◆❑	x
Japan	●	○	○	○	○	❑	x
Korea	●	●	○	●	●	x	●
New Zealand	●	●	○	●	●	❑	x
OECD Total	33	14	22	18	19		15
Yes = ●							
No = ○							
No, it is the same for all civil servants = ❖					9		
No, performance agreement with Minister (at D1) = ◆						14	
Performance agreement with the Administrative head of the civil service (at D1) = ❑						10	
Not applicable = x						9	8

Sources: For SEA countries, OECD (2018) Strategic Human Resources Management Survey. For OECD countries, OECD (2016) Strategic Human Resources Management Survey.

StatLink https://doi.org/10.1787/888933841083

The digital transformation touches all aspects of the public sector, and human resources management (HRM) is no exception. Data helps decision makers understand their current context, identify trends, plan for the future and manage risks. Data on the public service can provide insights on workforce composition and on the civil service's ability to recruit, retain and manage civil servant performance. It is a fundamental input into effective strategic human resource (HR) planning and management. When collected and held centrally, it can be an important tool for benchmarking organisations and informing reform. This data can also be a powerful mechanism to ensure transparency and accountability for workforce diversity and effective HRM practices.

The nine SEA countries surveyed have standardised administrative data records at central or line ministry levels on the following data points: number of employees; level of seniority; function; age; gender; level of education; and length of service. Malaysia is the SEA country with the highest level of available and fully centralised administrative data records, although Lao PDR, Brunei Darussalam and Indonesia also have strong centralised datasets. Most administrative data are collected in Viet Nam, though at line ministry level. In Thailand, data collected is centralised by the Office of Civil Service Competence (OCSC) through the Government Manpower Information System (GMIS). At department level, HR data is managed through the Departmental Personnel Information System. The OCSC is planning to scale up this system by connecting the whole civil service. Almost all OECD countries, including the four OECD countries in the region, centralise data on the number of employees, gender and age.

Collecting data is only the first step towards data-informed HRM. The collected data needs to be analysed and communicated to managers and decision makers in a way that provides insight and supports accountability. As in most OECD countries, administrative data appears to be used most often in reports to the political level and to the senior civil service. However, while 28 OECD countries use administrative data in reports to the public, this is only done in five SEA countries – Brunei Darussalam, Lao PDR, the Philippines, Singapore and Thailand.

Finally, employee surveys are another type of data often used by public organisations to measure and monitor employee perceptions of their work and work environment. These can provide useful input to performance-related indicators such as employees' engagement with their work and employers, or their perceptions of management and leadership. Employee surveys are widespread among OECD countries (only five countries do not use them). Among the SEA countries surveyed, three (Malaysia, Singapore, Thailand) report conducting centralised surveys across the whole central public administration (CPA), while in four countries (Brunei Darussalam, Indonesia, Malaysia, the Philippines and Singapore) government ministries/agencies conduct their own surveys. For instance, Brunei Darussalam conducted a survey among the civil service on the effectiveness of the performance management system in 2013. Findings raised a few areas of concern, such as the subjectivity of performance appraisals or inconsistency of criteria, leading to a new performance management system. In some countries universities or non-government organisations also carry out employee surveys in the public sector, but the impact of their results on government HRM practices is not known.

Methodology and definitions

Data were collected through the OECD Strategic Human Resource Management Survey and refer to 2016 for OECD countries and 2018 for SEA countries. Respondents were predominately senior officials in central government HRM departments, and data refer to HRM practices in central government. The survey was completed in 2018 by the SEA countries except Myanmar, and in 2016 by 35 OECD countries.

The terms public and civil service/servants are used interchangeably throughout this chapter.

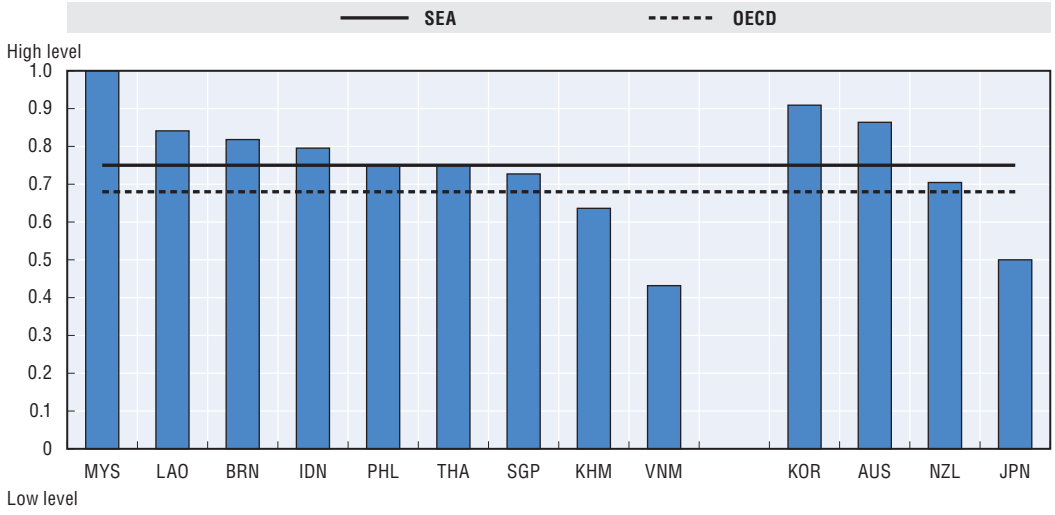
The index on the collection and availability of administrative HR data measures the existence of the following administrative HR data records at the central/federal level: number of employees, level, function, age, gender, disabilities, other minority status, level of education, length of service, languages spoken, type of contract, union membership, part-time work, other flexible working arrangements, total sick days used, training days used, special leave used, mobility within the service, staff turnover, retirements, resignations and dismissals. The index ranges from 0 (low level of data collection at central level) to 1 (high level of data collection at central level). For OECD countries, missing data were estimated by mean replacement.

See Annex A for further details on the methodology and factors used to construct the index. The variables composing the index and their relative importance are based on expert judgements. They are presented with the purpose of furthering discussion, and consequently may evolve over time.

Further reading

OECD (2016), *Engaging Public Employees for a High-Performing Civil Service*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264267190-en*.

5.9. Collection and availability of administrative human resources (HR) data in central government, 2018



Sources: For SEA countries, OECD (2018) Strategic Human Resources Management Survey. For OECD countries, OECD (2016) Strategic Human Resources Management Survey.

StatLink https://doi.org/10.1787/888933841121

5.10. Data informed human resources management (HRM): Employee surveys and use and disclosure of administrative data in central government, 2018

	Employee surveys		Administrative data						
			Use						Disclosure
	Centralised surveys (CPA)	Surveys conducted at Ministry/Agency level	In regular reports	Dashboards for management decision making	Integrated in workforce planning system cycle	To inform organisational training plans	Performance assessments (e.g. of managers)	Collective bargaining	Public availability of data
Brunei Darussalam	❍	●	■◆❑	❍	●	●	●	❍	◗
Cambodia	❍	❍	■◆	●	●	●	●	❍	❖
Indonesia	❍	●	■◆	●	●	●	●	❍	❖
Lao PDR	❍	❍	■◆❑	●	●	●	●	❍	❍
Malaysia	●	●	◆	❍	●	●	●	❍	❍
Philippines	❍	●	■◆❑	●	❍	●	●	●	◗
Singapore	●	●	■❑	●	●	●	❍	❍	◗
Thailand	●	❍	■◆❑	●	●	●	●	●	◗
Viet Nam	❍	❍	■◆	❍	❍	●	●	❍	❍
SEA Total									
Yes = ●	3	5		6	7	9	8	2	
No = ❍	6	4		3	2	0	1	7	
Reports to the SCS = ■			8						
Reports to the political level = ◆			8						
Reports to the public = ❑			5						
Data is proactively shared online = ◗									4
Data is shared only on request = ❖									2
Australia	●	●	■◆❑	●	●	●	●	●	◗
Japan	❍	❍	❑	●	❍	❍	❍	❍	◗
Korea	●	❍	■◆❑	●	●	●	●	❍	◗
New Zealand	❍	●	■◆❑	●	●	●	●	●	◗
OECD Total									
Yes = ●	19	19		22	25	12	15	19	
No = ❍	16	16		13	10	23	20	16	
Reports to the SCS = ■			23						
Reports to the political level = ◆			26						
Reports to the public = ❑			28						
Data is proactively shared online = ◗									28
Data is shared only on request = ❖									4

Sources: For SEA countries, OECD (2018) Strategic Human Resources Management Survey. For OECD countries, OECD (2016) Strategic Human Resources Management Survey.

StatLink https://doi.org/10.1787/888933841140

Recruitment systems can help government organisations to bring people with the required skills and competencies into the civil service. To this end, workforce planning can help identify skills needs and assess skills gaps. Merit-based recruitment processes help identify the most suitable candidates and have been a bedrock of professional civil services in most OECD countries for many years.

Recruitment systems can be broadly categorised between being more "career-based" or "position-based". Career-based systems tend to be based on competitive selection earlier on in a civil servant's career, with all or most positions only open to civil servants. In position-based systems, candidates usually apply directly to specific positions, which tend to be open to internal and external candidates. While career-based systems can help build a dedicated and experienced group of civil servants, position-based systems can offer more flexibility to adjust the workforce in response to a changing environment, and can bring in a wider diversity of perspectives, skills and experiences.

Professionals are hard to draw into the civil service in seven of the nine SEA countries surveyed (all except Lao PDR and Malaysia) and 23 of 35 OECD countries (including Korea and New Zealand). This suggests that attracting the best people is not only related to the type of recruitment system, but also requires human resources and line managers to consider other factors such as future skills demands, length of recruitment processes and competitive employment conditions.

While most countries struggle to attract skilled professionals, particularly in the domain of new technologies, a smaller number of OECD countries (seven) and none of the SEA countries surveyed have challenges recruiting senior managers. This may be due to the attractiveness of SCS positions or the logic of career-based systems, but it also raises questions about countries' awareness of how the digital transformation is affecting the future of work in the public sector.

In SEA and OECD countries, recruitment systems vary to a great extent and combine elements of both systems. Like Australia and New Zealand, Malaysia, the Philippines and Singapore use primarily position-based systems. They also report a trend towards more external recruitment of professionals in the last five years, the time period for which information was sought in the survey. In Singapore, unlike all other SEA countries, people enter the civil service through direct application to a specific post. In the Philippines and Thailand, attracting qualified professionals is a big challenge, where there is strong competition from the private sector in the country and abroad. The main challenge in Viet Nam is attracting people with governance expertise.

On the other side of the spectrum are countries like Cambodia and Lao PDR. To become a civil servant, candidates need to go through a competitive examination that allows entry into a specific group of the public service. In Cambodia, Lao PDR and Viet Nam, no posts are open to external recruitment. In Lao PDR, the recruitment targets recent university graduates and promotions are based on work experience and tenure. In Japan, one of the OECD countries with the strongest "career-based" approach, people enter the civil service through a competitive examination that provides for entry into a specific group, but some posts are also open to external recruitment.

Methodology and definitions

Data were collected through the OECD Strategic Human Resource Management Survey and refer to 2016 for OECD countries and 2018 for SEA countries. Respondents were predominately senior officials in central government human resources management (HRM) departments, and data refer to HRM practices in central government. The survey was completed in 2018 by all SEA countries except Myanmar and in 2016 by 35 OECD countries.

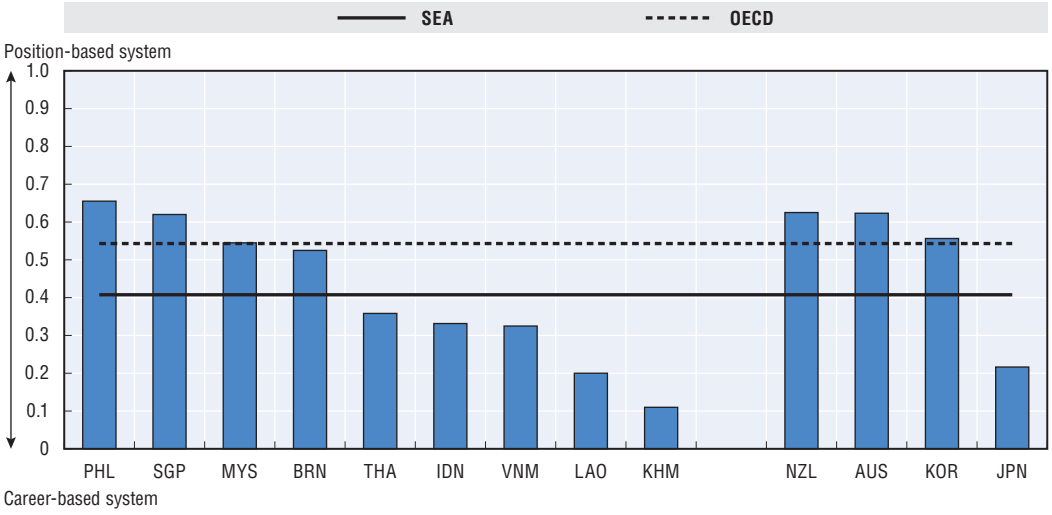
The terms public and civil service/servants are used interchangeably throughout this chapter.

This composite index describes a spectrum of recruitment systems in place in OECD countries, ranging between 0 (career-based system) and 1 (position-based system). It does not evaluate the performance of different systems. Data refer to HRM practices at the central level of government for the civil service. Definitions of the civil service, as well as sectors covered at the central level of government, differ across countries and should be considered when making comparisons. The variables comprising the indexes and their relative importance are based on expert judgements. The indicator looks at how one can become a civil servant, ensuring merit-based appointments at entry in the selection process, the allocation of posts, the existence of measures to enhance/reduce external recruitment, and the recruitment of senior civil servants.

Further reading

OECD (2017), *Skills for a High Performing Civil Service*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264280724-en*.

5.11. Type of recruitment system used in central government, 2018



Sources: For SEA countries, OECD (2018) Strategic Human Resources Management Survey. For OECD countries, OECD (2016) Strategic Human Resources Management Survey.

StatLink https://doi.org/10.1787/888933841159

5.12. Challenges in attracting particular groups of applicants to the civil service, 2018

	Groups of applicants hard to attract into the public administration		
	Senior managers	Line managers	Professionals
Brunei Darussalam	○	○	●
Cambodia	○	○	●
Indonesia	○	○	●
Lao PDR	○	○	○
Malaysia	○	○	○
Philippines	○	○	●
Singapore	○	○	●
Thailand	○	○	●
Viet Nam	○	●	●
SEA Total	0	1	7
Australia	..	..	..
Japan	○	○	○
Korea	○	○	●
New Zealand	○	○	●
OECD Total	7	1	23

Key:
Yes = ●
No = ○

Sources: For SEA countries, OECD (2018) Strategic Human Resources Management Survey. For OECD countries, OECD (2016) Strategic Human Resources Management Survey.
Data refer to 2016 for OECD countries.

StatLink https://doi.org/10.1787/888933841178

The public sector needs civil servants with the right skills to address increasingly complex problems. Competency management helps governments clarify the abilities (including skills, knowledge and behaviours) needed for a given position, and creates a standard against which to measure effective employee performance. Integrating competencies into a framework used to select, develop and promote civil servants allows human resources management (HRM) to develop strategic workforce planning, and employees to develop their career plans.

Competency management is a high priority in six of the nine SEA countries surveyed (Indonesia, Lao PDR, Malaysia, the Philippines, Singapore and Thailand), and a lower priority in Brunei Darussalam, Cambodia and Viet Nam. All also have a specific competency framework for senior managers, and eight countries (all except the Philippines) have a framework for civil servants.

The central HRM unit is responsible for preparing competency frameworks in most SEA and OECD countries. In Thailand, HR and departmental senior managers are also involved. In Brunei Darussalam, Cambodia, Thailand and Viet Nam, inter-ministerial working groups also contribute. The same is true in 43% of OECD countries. Japan and New Zealand are the only OECD countries where preparing a competency framework is the sole responsibility of inter-ministerial working groups. Trade union representatives are never involved in any of the SEA countries.

As countries adopt competency management approaches, in recognition that both hard and soft skills are crucial to civil service performance, a key question is whether civil services can map and develop the skills needed in their central governments. In SEA and OECD countries, the arrangements to promote learning for the central public administration vary widely. Cambodia, Indonesia and Malaysia each have a single government institution or national school of government with this function, such as Cambodia's Royal School of Administration and the Indonesian National Institute of Public Administration. In Brunei Darussalam, the Philippines and Singapore, responsibilities for civil service learning are shared by several government institutions centrally. In Lao PDR and Viet Nam, these responsibilities are delegated to ministry/department/agency level. In the OECD countries in the region, there is usually more than one institution responsible for competency management. In addition, seven SEA countries have a civil service-wide training strategy to co-ordinate and align training across organisations. The same is true in 47% of OECD countries, including Australia, Korea and Japan.

The most frequently mentioned competencies in SEA countries suggest that civil servants are expected to be leaders and professionals with strong ethical values, which are also among the most common competencies in OECD countries. Seven of the eight SEA countries that include leadership in their competency frameworks (all except Viet Nam) prioritise training and coaching for the executive leadership and four prioritise training for middle managers (Cambodia, Indonesia, the Philippines and Singapore). Likewise, developing leaders' competencies is one of the main priorities in Australia, Korea and New Zealand among OECD countries in the region; training for middle managers is a priority in Australia and Japan. Although most SEA countries prioritise the development of digital skills (six countries), investing in digital skills is not a priority for any of the OECD countries in the region (although it is for 12 OECD countries).

While monitoring and evaluation of training investment is a top priority in 34% of OECD countries (including Australia, Korea and New Zealand), this is not the case in any of the surveyed SEA countries.

Embedding learning in the culture and values of the public service goes beyond the existence of competency frameworks or training programmes, requiring employee competency development to be a core responsibility of public managers. Yet data suggests that workforce development is still among the lowest priorities for senior civil servants in SEA and OECD countries (with only 4 and 11 countries respectively noting civil service training as a key priority).

Methodology and definitions

Data were collected through the OECD Strategic Human Resource Management Survey and refer to 2016 for OECD countries and 2018 for SEA countries. Respondents were predominately senior officials in central government HRM departments, and data refer to HRM practices in central government. The survey was completed in 2017/2018 by nine SEA countries (Myanmar did not respond to the survey) and in 2016 by 35 OECD countries.

The terms public and civil service/servants are used interchangeably throughout this chapter.

Further reading

OECD (2017), *Skills for a High Performing Civil Service*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264280724-en*.

OECD (2011), *Public Servants as Partners for Growth: Towards a Stronger, Leaner and More Equitable Workforce*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264166707-en*.

5.13. Civil service competencies and training priorities, 2018

	Comptencies mentioned in competency frameworks					Training and competence development priorities (top 5)				
	Digital competencies	Leadership	Values and ethics	Strategic thinking	Political competencies	A whole-of-government training strategy	Monitoring and evaluation of training investment	Executive leadership training and coaching	Training for middle management	Co-ordination mechanisms for civil service training
Brunei Darussalam	○	●	●	●	○	●	○	●	○	●
Cambodia	○	●	●	○	○	●	○	●	●	●
Indonesia	○	●	●	●	●	○	○	●	●	○
Lao PDR	○	●	○	○	○	○	○	●	○	●
Malaysia	○	○	○	○	○	●	○	●	○	●
Philippines	○	●	●	●	○	○	○	●	●	○
Singapore	●	●	●	●	○	○	○	●	●	○
Thailand	●	●	●	●	●	●	○	●	○	●
Viet Nam	○	●	●	○	●	●	○	○	○	○
SEA Total	2	8	7	5	3	5	0	8	4	5
Australia	○	○	●	●	○	●	●	●	●	●
Japan	○	●	●	●	○	●	○	○	●	●
Korea	○	●	●	●	●	●	●	●	○	●
New Zealand	..	..	..	..	..	●	●	●	○	●
OECD Total	13	21	22	20	6	14	12	23	14	11

Key:

Yes = ●

No = ○

Sources: For SEA countries, OECD (2018) Strategic Human Resources Management Survey. For OECD countries, OECD (2016) Strategic Human Resources Management Survey.

StatLink https://doi.org/10.1787/888933841197

5.14. Civil service competency development, 2018

	Preparation of a common competency framework		Existence of a civil service-wide training strategy	Co-ordinating, promoting and administering learning			Employee development is a key competency for SCS
	Only the central HRM Unit	Interministerial working groups		Single institution within government	Shared responsibilities at central/federal level	Responsibilities delegated to the Ministry/Agency level	
Brunei Darussalam	●	●	●	○	●	○	○
Cambodia	●	●	○	●	○	○	○
Indonesia	●	○	●	●	○	○	○
Lao PDR	●	○	○	○	○	●	○
Malaysia	..	..	●	●	○	○	●
Philippines	○	○	●	○	●	○	●
Singapore	●	○	●	○	●	○	●
Thailand	●	●	●	○	●	○	●
Viet Nam	●	●	●	○	○	●	○
SEA Total	7	4	7	3	4	2	4
Australia	●	○	●	○	●	○	○
Japan	○	●	●	○	●	○	○
Korea	●	●	●	●	○	○	○
New Zealand	○	●	○	○	●	○	●
OECD Total	23	15	16	11	12	12	11

Key:

Yes = ●

No = ○

Sources: For SEA countries, OECD (2018) Strategic Human Resources Management Survey. For OECD countries, OECD (2016) Strategic Human Resources Management Survey.

StatLink https://doi.org/10.1787/888933841216

Chapter 6

Digital and open government

Digital technologies are transforming the way citizens live, work and interact. The disruption brought about by technologies such as social media, mobile and smart phones, artificial intelligence, blockchain and advanced data analytics is also raising citizen's expectations of public service efficiency, quality, responsiveness and convenience. Governments must quickly adapt to this new and challenging environment, rethinking internal procedures, upgrading service delivery approaches, reframing ways of interacting with citizens and adjusting governance frameworks. Digital economies and societies require digital governments.

Digital government strategies are important for helping governments align institutional objectives, define strategic initiatives and identify the necessary capacities and resources for coherent implementation across sectors and government levels. Most citizen services are delivered at the sub-national and local levels. As service digitalisation becomes more important, a co-ordinated digital government approach provides seamlessness and cross-service synergies, as well as helping less well-resourced sub-national bodies. Clear institutional frameworks are also essential for co-ordination among digital government public stakeholders.

In SEA countries, all governments have developed a national strategy for digital government at the central level. Digital government strategies also apply at the sub-national level in six SEA countries (Lao PDR, Malaysia, Myanmar, the Philippines, Thailand and Viet Nam), and at the local level in seven (Cambodia, Indonesia, Malaysia, Myanmar, the Philippines, Thailand and Viet Nam). These proportions are similar to the situation in the OECD in 2014 – all countries have a national strategy; 48% a sub-national strategy and 41% a local strategy. All SEA countries except Myanmar reported using performance indicators to monitor progress on digital government policies. The Australian Digital Transformation Agency provides a good example of leadership and co-ordinated efforts across different sectors of government.

Regarding institutional frameworks, the vast majority of SEA countries have a mutual co-ordination process or mechanism formally in place between units responsible for public sector information and communication technology (ICT) projects. The only exception is Thailand, demonstrating room for improvement in the country's capacity to involve different sectors and levels of government for coherent digital government implementation. All other SEA countries co-ordinate across central government at a minimum. Indonesia, Malaysia, Myanmar and Viet Nam also co-ordinate across all levels of government. Malaysia is the only country that also co-ordinates across local levels of government, such as municipalities, reflecting the fact that Malaysia is the only federal country in the region.

In all SEA countries, digital strategies cover general public services (e.g. permits, licences, certificates) to their citizens and businesses. In most countries in the region, notably Brunei Darussalam, Cambodia, Malaysia, the Philippines, Singapore, Thailand and Viet Nam, digital strategies have a wider scope that extends to other policy areas, such as education, economy, health, recreation, culture and religion, and social protection. Indonesia, Lao PDR and Myanmar currently have the least comprehensive digital government strategies, though it can be expected that their strategies will be extended as digital technologies are progressively included across more policy areas. The four OECD countries in the region have digital strategies that cover all of these policy areas (with the exception of Australia which does not cover health policy, though this is likely due to the federated responsibilities for this topic).

Financial resources are critical for effectively and sustainably implementing digital government strategies. In eight of the SEA countries, some of the main funding sources are the same ministries and authorities that are covered by the strategy. Of those eight, only Brunei Darussalam does not receive additional funding from the ministry charged with co-ordinating the strategy. This reflects shared responsibilities in the implementation and funding of digital government activities. Additional funding from the co-ordinating body can also be used as an incentive to collaborate, as a way of helping lagging bodies to catch up, and as a way to get ministries to voluntarily adopt shared standards and solutions.

Methodology and definitions

Data were collected through the OECD Digital Government Performance Survey and refer to 2014 for OECD countries and 2018 for SEA countries. Respondents were predominantly chief information officers (CIOs) or their equivalent at central government. The survey was completed in ten SEA countries and 25 OECD countries.

Further reading

OECD (forthcoming), *The Digital Transformation of the Public Sector: Helping Governments Respond to the Needs of Networked Societies*, OECD Publishing, Paris.

OECD (2016), *Digital Government in Chile: Strengthening the Institutional and Governance Framework*, OECD Digital Government Studies, OECD Publishing, Paris.

OECD (2014), "Recommendation of the Council on Digital Government Strategies", OECD Publishing, Paris.

Figure note

6.1: Brunei Darussalam and Singapore have a single layer of government (i.e. the central government).

6.1. Existence of a mutual co-ordination process or mechanism formally in place between units responsible for public sector ICT projects, 2018

	Across central government (e.g. sector CIO co-ordination)	Across all levels of government (e.g. central-local co-ordination)	Across local levels of government (e.g. co-ordination between municipalities)
Brunei Darussalam	●	○	○
Cambodia	●	○	○
Indonesia	●	●	○
Lao PDR	●	○	○
Malaysia	●	●	●
Myanmar	●	●	○
Philippines	●	○	○
Singapore	●	○	○
Thailand	○	○	○
Viet Nam	●	●	○
SEA Total	9	4	1
Australia	●	○	○
Japan	●	●	○
Korea	●	●	●
New Zealand	●	○	○
OECD Total	21	7	7

Key:
Yes = ●
No = ○

Sources: For SEA countries, OECD (2018) Digital Government Performance Survey. For OECD countries, OECD (2014) Digital Government Performance Survey.

StatLink https://doi.org/10.1787/888933840209

6.2. Main features of digital government strategies, 2018

	Level			Most Common Policy Areas						Main Funding Sources			
	Central	Regional	Local	General public services	Education	Economic	Health	Recreation, culture and religion	Social protection	Ministry charged with co-ordinating the strategy	The ministries and authorities covered by the strategy	Separate earmarked central government fund	Varying sources depending on the specific ICT projects in the strategy
Brunei Darussalam	●	○	○	●	●	○	●	●	●	○	●	●	○
Cambodia	●	○	●	●	●	●	●	●	●	●	●	○	○
Indonesia	●	○	●	●	○	○	○	○	○	●	●	○	●
Lao PDR	●	●	○	●	○	○	○	○	○	○	○	●	●
Malaysia	●	●	●	●	●	●	●	●	●	●	●	○	○
Myanmar	●	●	●	●	●	●	○	○	○	●	●	●	○
Philippines	●	●	●	●	●	●	●	●	●	●	●	○	○
Singapore	●	○	○	●	●	●	●	●	●	●	●	●	○
Thailand	●	●	●	●	●	●	●	●	●	●	●	●	●
Viet Nam	●	●	●	●	●	●	●	●	●	○	○	○	○
SEA Total	10	6	7	10	8	7	7	7	7	7	8	5	3
Australia	●	○	○	●	●	●	○	●	●	○	●	○	○
Japan	○	●	●	●	●	●	●	●	●	○	●	●	○
Korea	●	●	●	●	●	●	●	●	●	○	●	○	○
New Zealand	○	○	○	●	●	●	●	●	●	●	●	○	●
OECD Total	25	12	10	25	16	15	13	9	14	14	19	4	8

Key:
Yes = ●
No = ○

Sources: For SEA countries, OECD (2018) Digital Government Performance Survey. For OECD countries, OECD (2014) Digital Government Performance Survey.

StatLink https://doi.org/10.1787/888933841235

Digital technologies are rapidly being ingrained in all government activities and processes. As a result, the size and prevalence of investments in public information and communication technology (ICT) are becoming more important in countries' national budgets. Strategic planning is necessary to optimise public ICT expenditures in order to secure efficiency, coherence and sustainability, avoiding gaps and/or duplications that typically result from siloed approaches. The public sector's capacity to measure the economic benefits of ICT expenditures for central government, for citizens and for businesses can therefore contribute to better informed policies and practices for ICT investments.

Governments also face the challenge of processing increasingly diverse and complex digital technologies. They need simple, agile business case methodologies to identify the value proposition of ICT investments across different sectors and levels of government in a context of permanently evolving technological trends. Standardised project management models are also needed for the public sector to consistently follow project and initiative lifecycles, allowing for coherence and synergies across different government sectors and ensuring that the expected benefits are realised.

The Government of New Zealand provides an interesting example in the region of how ICT investments and capabilities could be managed. It requires public sector organisations to submit their strategic plans for review by the government Chief Information Officer (CIO), specifying the investments plans as well. The government CIO has the mandate and responsibility to advise public sector organisations to adopt advantageous cross-cutting government initiatives and shared services.

Three of the ten SEA countries – Malaysia, Singapore and Thailand – measure the direct financial benefits of ICT projects within their respective central governments. Malaysia, Singapore and Viet Nam each measure the financial benefits for businesses and for citizens. The four OECD countries in the region (Australia, Japan, Korea and New Zealand) all measure the direct financial benefits within central governments. Among the regional OECD countries, only Japan measures the expected benefits for both businesses and citizens, while New Zealand measures benefits for citizens only.

On the use of business cases to better estimate and evaluate ICT investments, 60% of the SEA countries declare the existence and use of a standardised model at national level, which is in line with OECD countries (58%, 2014). In Brunei Darussalam, a centralised approach to approve ICT investments supports the government in overseeing and ensuring coherence on digital government cross-sector efforts. Half of the countries also have a standardised model for ICT project management in central government. The Philippines has a standardised model for presenting business cases, but not specifically on ICT project management. Five countries have both policy levers in place – Brunei Darussalam, Malaysia, Myanmar, Singapore and Thailand – reflecting a substantial level of maturity in planning ICT projects and initiatives. This impacts on government's capacity to co-ordinate and secure coherent and sustainable public sector ICT expenditures.

The positive experiences of more digitally advanced countries in the region – in measuring financial benefits and using standardised ICT business cases and project management methods – could inspire other countries to improve ICT investments planning and management as an essential component of sound digital government policies.

Methodology and definitions

Data were collected through the OECD Digital Government Performance Survey and refer to 2014 for OECD countries and 2018 for SEA countries. Respondents were predominantly chief information officers or their equivalent at central government. The survey was completed in ten SEA countries and 25 OECD countries.

Further reading

OECD (2016), *Digital Government in Chile: Strengthening the Institutional and Governance Framework*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264258013-en*.

OECD (2014), "Recommendation of the Council on Digital Government Strategies", OECD Publishing, Paris, *www.oecd.org/gov/digital-government/recommendation-on-digital-government-strategies.htm*.

OECD (2014), "OECD Dataset on Digital Government Performance", *https://tinyurl.com/y7as9lze*.

6.3. Measurement of direct financial benefits of ICT projects for businesses and citizens, 2018

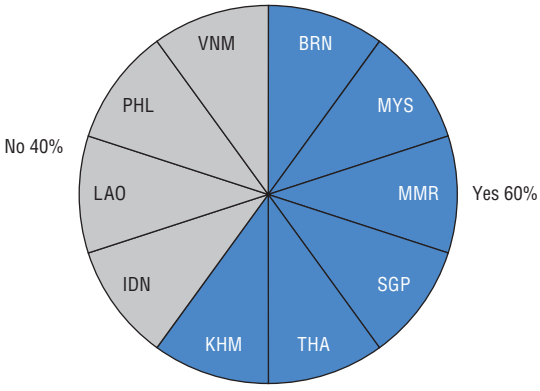
	Measure the direct financial benefits of ICT projects in the central government	Measure the financial benefits for businesses of public ICT projects	Measure the financial benefits for citizens of public ICT projects
Brunei Darussalam	○	○	○
Cambodia	○	○	○
Indonesia	○	○	○
Lao PDR	○	○	○
Malaysia	●	●	●
Myanmar	○	○	○
Philippines	○	○	○
Singapore	●	●	●
Thailand	●	○	○
Viet Nam	○	●	●
SEA Total	3	3	3
Australia	●	○	○
Japan	●	●	●
Korea	●	○	○
New Zealand	●	○	●
OECD Total	9	12	13

Key:
Yes = ●
No = ○

Sources: For SEA countries, OECD (2018) Digital Government Performance Survey. For OECD countries, OECD (2014) Digital Government Performance Survey.

StatLink https://doi.org/10.1787/888933841254

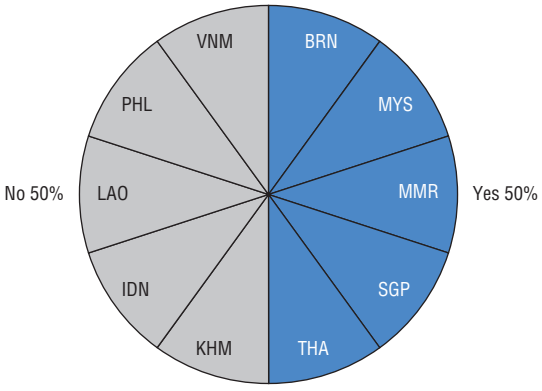
6.4. Existence of a standardised model for how to structure and present a business case for an ICT project, 2018



Source: OECD (2018) Digital Government Performance Survey.

StatLink https://doi.org/10.1787/888933841273

6.5. Existence of a standardised model for ICT project management at central government level, 2018



Source: OECD (2018) Digital Government Performance Survey.

StatLink https://doi.org/10.1787/888933841292

Co-ordinated procurement for information and communication technology (ICT) projects is important for achieving coherent and sustainable digital government policies. Governments with specific procurement policies for ICT projects can achieve significant efficiencies by aggregating demand across the administration. At the same time, having specific policies allows them to enforce the required alignment of ICT investments with the national digital government policy's goals (e.g. accomplishing technical standards for improved interoperability). ICT procurement policies also allow for better oversight and monitoring of ICT investments, avoiding gaps and duplications that typically result from siloed approaches.

Moreover, the public sector increasingly involves suppliers and citizens earlier in the commissioning process and iteratively throughout service delivery. This permits better understanding of citizen needs and context, and makes it easier to constantly adjust service design and delivery models. For instance, in Australia the Digital Marketplace is transforming how the government buys digital and technology services, by simplifying procurement interactions among public sector organisations and suppliers.

Sixty percent of SEA countries have a clearly defined strategy for ICT procurement. For half of them (Brunei Darussalam, Malaysia, Myanmar, Singapore and Viet Nam), the strategy applies across central government. In three countries (Myanmar, Singapore and Viet Nam), it applies within selected line ministries. In Myanmar, Thailand and Viet Nam, it covers sub-national levels of government. Four SEA countries, however, do not have a dedicated procurement strategy for ICT projects: Cambodia, Indonesia, Lao PDR and the Philippines. Of the OECD countries in the region, only Korea lacks a dedicated ICT procurement strategy. This may reflect the fact that often governments do not have a specific approach to ICT procurement; it is sometimes part of the broad procurement strategy, but is mostly done by ministries and agencies based on specific needs and ICT projects.

Value for money, fair and balanced competition, integrity and accountability are still dominant requisites of public procurement worldwide. Nevertheless, new policy objectives are emerging as public procurement is understood as a strategic tool to achieve socio-economic policy objectives that can positively influence the markets and support the public good. Some new topics within public procurement strategies are environmental sustainability, gender balance, integration of minorities and support for local and less competitive markets, embodying a citizen-centric approach to public services.

Two factors to consider in procurement are economies of scale vs. competition, and outsourcing vs. insourcing. There is a wide range of preferences in the SEA region: Indonesia, the Philippines and Viet Nam lean more towards promoting competition over economies of scale, reflecting a focus on overall value delivery.

The Philippines and Viet Nam are also more likely to insource (e.g. develop in-house and build internal capacities) than outsource their ICT projects than the other SEA countries. This reflects governments' efforts to strategically privilege the development of internal public sector capacities, investing in public workforce skills and securing higher future sustainability of the digital government policy. By prioritising outsourcing, the governments of the remaining SEA countries are reflecting their willingness to invest in the ICT market for service providers. Developing internal capacities is presumably not their top priority, though this can create vulnerabilities and dependence on providers. Finding the right strategy for each country depends on a variety of factors, including the domestic ICT labour force; the public sector's ability to attract and retain ICT talent, adopt and manage emerging technologies and to renew public sector systems; and ICT and project management competencies in the public sector to ensure that contracted ICT services deliver public value to citizens and businesses.

Methodology and definitions

Data were collected through the OECD Digital Government Performance Survey and refer to 2014 for OECD countries and 2018 for SEA countries. Respondents were predominantly chief information officers or their equivalent at central government. The survey was completed in ten SEA countries and 25 OECD countries.

Public procurement is defined as the purchase of goods and services by governments and state-owned enterprises. It encompasses a sequence of related activities starting with the assessment of needs through awards to contract management and final payment.

Further reading

OECD (forthcoming), *The Digital Transformation of the Public Sector: Helping Governments Respond to the Needs of Networked Societies*, OECD Publishing, Paris.

OECD (2016), *Digital Government in Chile: Strengthening the Institutional and Governance Framework*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264258013-en*.

Figure notes

6.7. and 6.8: These questions are formulated in a different way in the OECD (2014) survey, therefore data are not comparable.

6.6. Existence and scope of a procurement strategy covering ICT, 2018

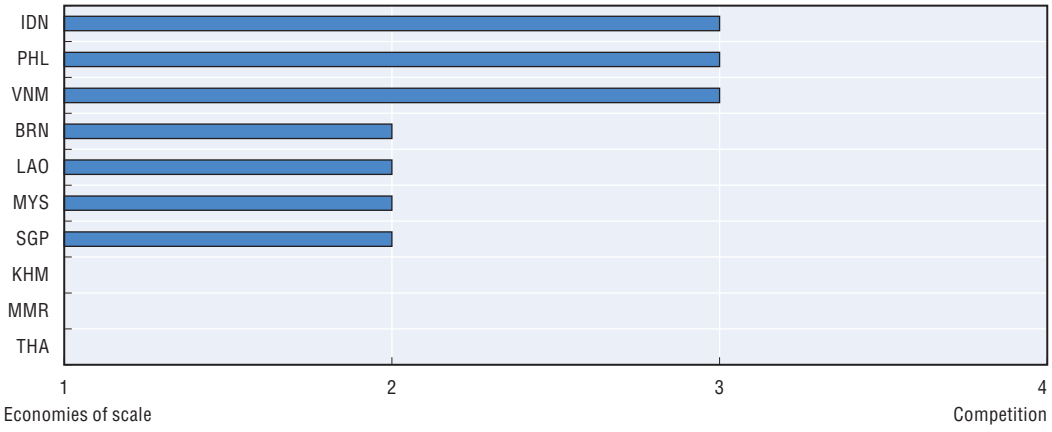
	Within selected line ministries	Across the central government	Across different levels of government	No specific ICT procurement strategy exists
Brunei Darussalam	○	●	○	○
Cambodia	○	○	○	●
Indonesia	○	○	○	●
Lao PDR	○	○	○	●
Malaysia	○	●	○	○
Myanmar	●	●	●	○
Philippines	○	○	○	●
Singapore	●	●	○	○
Thailand	○	○	●	○
Viet Nam	●	●	●	○
SEA Total	3	5	3	4
Australia	○	●	○	○
Japan	○	●	○	○
Korea	○	○	○	○
New Zealand	●	○	○	○
OECD Total	5	13	3	8

Key:
Yes = ●
No = ○

Sources: For SEA countries, OECD (2018) Digital Government Performance Survey. For OECD countries, OECD (2014) Digital Government Performance Survey.

StatLink https://doi.org/10.1787/888933841311

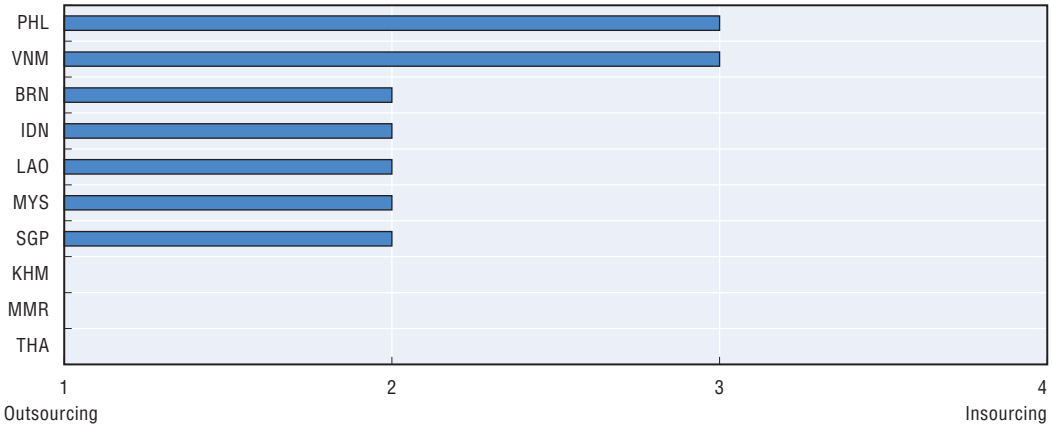
6.7. Economies of scale vs Market competition: ICT procurement priorities, 2018



Source: OECD (2018) Digital Government Performance Survey.

StatLink https://doi.org/10.1787/888933841330

6.8. Reported priority of the ICT procurement approach between outsourcing and insourcing models, 2018



Source: OECD (2018) Digital Government Performance Survey.

StatLink https://doi.org/10.1787/888933841349

The progressive digitalisation of economies and societies is transforming relations between citizens and the public sector, changing how the public sector works and delivers services. Citizens' expectations of public sector efficiency and service quality have increased substantially, influenced by their experience of top private service providers. Governments need to deliver services that are simple, convenient, inclusive, collaborative and tailored to citizens' life conditions or preferences. A factor that can significantly improve government interaction with citizens and businesses is integrated service delivery, via national online portals that combine data, information, systems, processes and services and provide a single point of access to government services.

Nine out of ten SEA countries have established a main national citizens' online portal, the only exception being Lao PDR. Malaysia and Myanmar have the most comprehensive national citizens' portal, though Myanmar's portal is very new. In both countries, portals offer access to: government services provided by the authority responsible for the portal; unique services on behalf of responsible authorities, acting as a service delivery "shell"; services found through specific websites of the responsible authorities; and links to online services provided elsewhere, at responsible authorities' own websites. The national citizens' portal in Brunei Darussalam provides the same services, except unique services on behalf of responsible authorities. In the Philippines, the only service the portal does not offer is access to services provided by the authority in charge of the portal. All other SEA countries with a national online portal only have one or two features of the four listed above.

The national online portals in all SEA countries are faring better than those in OECD countries, according to the survey results, although the OECD data reflect the situation in 2014. For example, 80% of the portals in SEA provide links to other services provided by other websites, which is higher than the OECD average of 72%. Moreover, in SEA countries, 50% of the citizens' portals offer access to services provided by other government authorities in their own websites, compared to 44% in OECD countries. This may, in part, reflect the advantages of a later start (fewer legacy systems, more mature technologies and new ICT tools), but it may also reflect stronger co-ordination ICT mechanisms.

A legally recognised digital identification mechanism provides citizens with access to multiple government online services through the national citizens' portal. While 96% of OECD countries have a legally recognised digital mechanism in place, the figure for SEA countries is lower, at 70%. Cambodia, Lao PDR and Myanmar do not have one. In both OECD and SEA countries, it is most common for the digital identification mechanism to be used for public services provided at the central/national government level. However, across all SEA countries, with the exception of Malaysia, this digital identification mechanism is not yet fully integrated with the national online portal for public services.

The use of a digital identification mechanisms varies across SEA countries. For example, Singapore's digital identification mechanism, SingPass (Singapore Personal Access) acts as a gateway for citizens to access hundreds of digital services provided by more than 60 government agencies. Singapore Corporate Access (CorpPass) is a corporate digital identity (e.g. for businesses and non-profit organisations), to transact online with government agencies. Taking Korea as an example from the region, the Korean G-FIDO (Government Fast Identity Online) builds on the country's long digital identity experience and aims to introduce common ground for diverse means of verification, including biometrics.

Methodology and definitions

Data were collected through the OECD Digital Government Performance Survey and refer to 2014 for OECD countries and 2018 for SEA countries. Respondents were predominantly chief information officers or their equivalent at central government. The survey was completed in 10 SEA countries and 25 OECD countries.

Digital by design: the extent to which a government embeds the full potential of digital technologies right from the start when formulating policies and designing services, e.g. digitalising internal processes ("zero paper administration"). It has the intent to rethink, reengineer and simplify them and make service delivery efficient, inclusive and sustainable for citizens and businesses regardless of the channel used to interact with the public authorities.

Further reading

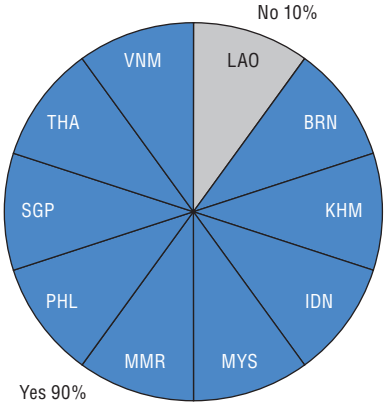
OECD (forthcoming), *The Digital Transformation of the Public Sector: Helping Governments Respond to the Needs of Networked Societies*, OECD Publishing, Paris.

OECD (2014), "Recommendation of the Council on Digital Government Strategies", OECD Publishing, Paris, *https://tinyurl.com/y8q8xpv9*.

Figure notes

6.11: Lao PDR does not have a national citizens' portal for government services, therefore no data are available. No data are available for services covered by recognised digital identification mechanisms for the Philippines, as the public key infrastructure exists but is not yet implemented.

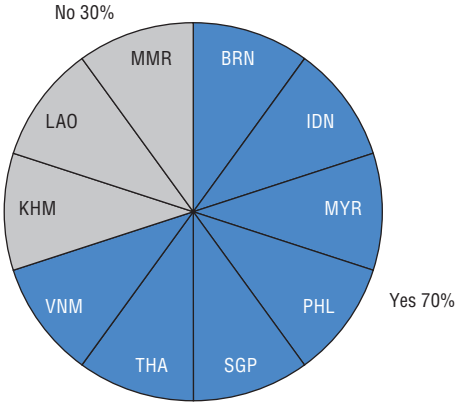
6.9. Existence of a main national citizens, portal for government services, 2018



Source: OECD (2018) Digital Government Performance Survey.

StatLink https://doi.org/10.1787/888933841368

6.10. Existence of a legally recognised digital identification (e.g. digital signature) mechanism, 2018



Source: OECD (2018) Digital Government Performance Survey.

StatLink https://doi.org/10.1787/888933841387

6.11. Features of the government services portal and services covered by the recognised digital identification mechanism, 2018

	Features of the citizen portal for government services				Services covered by the recognised digital identification mechanism (e.g. digital signature)		
	Access to services provided by the authority in charge of the portal	Provides unique services on behalf of responsible authorities	Gives access to services also provided through specific websites of the responsible authorities	Links to online services provided elsewhere	Public services provided at the central/national government level	Public services provided by sub-national levels of government	Private sector services
Brunei Darussalam	●	○	●	●	●	○	○
Cambodia	○	●	○	○	x	x	x
Indonesia	○	○	○	●	●	●	●
Lao PDR	x	x	x	x	x	x	x
Malaysia	●	●	●	●	●	●	○
Myanmar	●	●	●	●	x	x	x
Philippines	○	●	●	●	x	x	x
Singapore	○	●	○	●	●	○	○
Thailand	○	○	○	●	●	●	●
Viet Nam	○	○	●	●	●	●	●
SEA total							
Yes ●	3	5	5	8	6	4	3
No ○	6	4	4	1	0	2	3
Not applicable x	1	1	1	1	4	4	4
Australia	○	●	○	○	●	●	○
New Zealand	○	○	●	○	●	●	●
Japan	●	○	○	●	●	●	○
Korea	○	○	○	●	●	●	●
OECD total							
Yes ●	1	1	1	2	4	4	2
No ○	3	3	3	2	0	0	1
Not applicable x	0	0	0	0	0	0	0

Sources: For SEA countries, OECD (2018) Digital Government Performance Survey. For OECD countries, OECD (2014) Digital Government Performance Survey.

StatLink https://doi.org/10.1787/888933841406

Open government is understood as "a culture of governance that promotes the principles of transparency, integrity, accountability and stakeholder participation in support of democracy and inclusive growth" (OECD, 2016). These principles are fundamental pillars of good governance. In light of the continued challenges governments face of reduced trust in public institutions and public disengagement, the role of open government is to strengthen public administrations and build an effective, responsive and inclusive relationship between governments and stakeholders. Ultimately, open government principles and practices promote transparency, citizen-centric approaches to improving the design and delivery of public services and greater accountability to build and maintain citizen trust.

Having a country-tailored definition for open government helps ensure that open government activities incorporate initiatives implemented by institutions across the public administration. None of the SEA countries has a country-tailored definition. Malaysia, the Philippines and Thailand have adopted a definition for open government from an external source, such as from the OECD or the Open Government Partnership (OGP). This contrasts with 49% of OECD countries that have developed an open government definition themselves.

Moreover, having a strategy plays an important role in consolidating initiatives across government and facilitating a focus on long-term and cross-cutting goals of the open government reform process. Of the seven SEA countries, all of them have either elaborated their own open government strategy, such as Indonesia, the Philippines and Thailand, or have integrated open government activities in other strategies, such as Cambodia, Malaysia, Singapore and Viet Nam.

In the region, Japan has a single national open government strategy, whereas Australia, Korea and New Zealand have integrated open government activities in other strategies. Among OECD respondents as a whole, 49% have an open government strategy and 51% have integrated them into other strategies.

Notably, in SEA only Thailand and Viet Nam have an overarching document (such as a strategy, policy, directive, guide, etc.) focused on citizen participation in the policy cycle.

Indonesia, the Philippines and Thailand have all involved relevant central government institutions, civil society and non-government organisations (NGOs) in creating the strategy. As members of the OGP, Indonesia and the Philippines also involve the OGP support unit. None of the countries, however, involved media organisations or journalists despite the role that this sector can play in promoting the open government objectives of transparency and accountability, as well as in potentially improving and creating buy-in. It should be noted, however, that OECD data show only Mexico, the Netherlands and Spain involving media and journalists in creating their national open government strategies, so this is not a widespread trend in OECD countries either.

For six of the SEA countries, the main objectives that governments intend to achieve by implementing open government initiatives include improving public sector transparency and improving public sector accountability.

Meanwhile, only four countries (Malaysia, the Philippines, Singapore and Thailand) noted that improving citizen participation in policy making is a key national objective. Equally, only four countries (Indonesia, Malaysia, Singapore and Viet Nam) prioritise improving the effectiveness of the public sector. However, both of these objectives are key to achieving the over-arching aim of a citizen-centric approach to policy making.

These findings are similar to OECD countries, where the order of priorities follows a similar pattern. Eighty six per cent of OECD countries, including Australia, Japan and Korea, seek to improve the transparency of the public sector. The next most common key objectives are to improve public sector accountability (69%), improve the responsiveness of the public sector to the needs of citizens and business (60%), and increase citizen trust in public institutions (57%). The last of these objectives is a key priority in all OECD countries in the region except Japan.

Methodology and definitions

The SEA data were collected through the OECD Open Government and Open Data Survey, conducted in 2018 in Southeast Asia. The question about open government strategies was answered by seven countries: Cambodia, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Viet Nam. Respondents were predominantly senior government officials in charge of open government reforms.

The data for OECD countries were collected in 2015 through the Open Government Co-ordination and Citizen Participation in the Policy Cycle Survey. Respondents were predominantly senior government officials in charge of open government reforms.

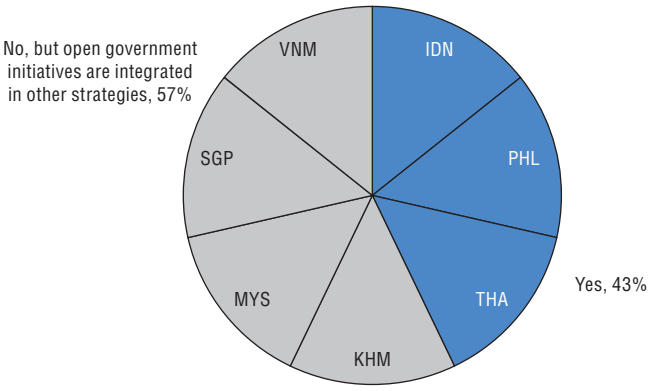
Further reading

OECD (2016), *Open Government: The Global Context and the Way Forward*, OECD Publishing, Paris: *http://dx.doi.org/10.1787/9789264268104-en*.

Figure note

6.14: Question asked countries to choose the top five national policy objectives that their government intends to achieve by implementing open government initiatives.

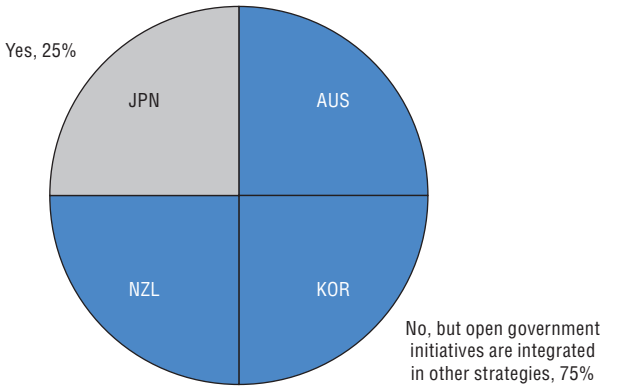
6.12. Existence of a single national open government strategy, 2018



Source: OECD (2018) Open Government and Open Data Survey.

StatLink https://doi.org/10.1787/888933841425

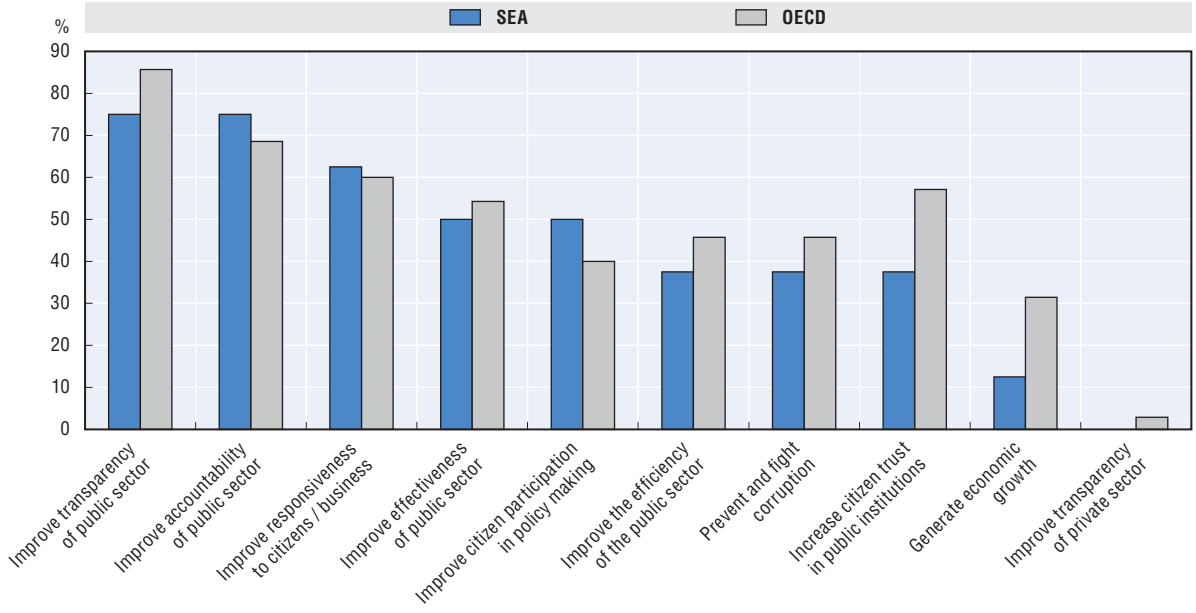
6.13. Existence of a single national open government strategy, OECD countries from the region, 2015



Source: OECD (2015) Open Government Co-ordination and Citizen Participation in the Policy Cycle Survey.

StatLink https://doi.org/10.1787/888933841444

6.14. Top national policy objectives of open government initiatives, 2018



Sources: For SEA average, OECD (2018) Open Government and Open Data Survey. For OECD average, OECD (2015) Open Government Co-ordination and Citizen Participation in the Policy Cycle Survey.

StatLink https://doi.org/10.1787/888933841463

The OECD defines open government as "a culture of governance that promotes the principles of transparency, integrity, accountability and stakeholder participation in support of democracy and inclusive growth." There are three key aspects that contribute to successful delivery of open government reforms: the mechanisms by which countries co-ordinate open government initiatives; the institutional settings and tasks of relevant co-ordination units, and the extent to which countries monitor the implementation and evaluate the impact of open government initiatives.

Of the seven SEA countries surveyed, six (or 86%) indicated that there is an office responsible for horizontal co-ordination of open government initiatives, compared to 77% of OECD countries. In three of the six (Malaysia, the Philippines and Thailand) this office already existed and addresses open government as part of a larger portfolio (such as digital government). In Indonesia, the office responsible for horizontal co-ordination of open government initiatives is a newly created unit within an office with a larger portfolio, while in Viet Nam it is a department within the government office. In Singapore, it sits in the Prime Minister's Office.

The responsibilities and tasks of these co-ordination units vary from country to country. In all six of the SEA countries with an office, the office is in charge of co-ordinating implementation of open government initiatives. In Indonesia, the Philippines and Singapore the units are also in charge of allocating some financial resources for implementation. By comparison, this task is carried out by 20% of OECD countries. Furthermore, in only 57% of the surveyed SEA countries is the co-ordination unit in charge of communicating the reforms, which is significantly lower than in OECD countries, at 73%.

Understanding the extent to which open government initiatives are achieving their goals or not depends on governments monitoring the implementation and evaluating their impact. Five of the SEA countries surveyed reported that they monitor the implementation of open government initiatives, less than the 86% of OECD countries that report the same. Furthermore, 57% of the surveyed SEA countries reported that they evaluate the impact of such initiatives – similar to OECD countries (59%). Some SEA countries carry out monitoring and evaluation through the normal activities of public institutions involved in open government – 71% of countries monitor and 57% evaluate in this way.

Of the seven SEA countries that evaluated the impact of open government policies, 71% also reported communicating evaluation results. Notably, Cambodia, Indonesia and the Philippines make the results of the evaluations publicly available. Sharing – and acting upon – the information collected via the monitoring and evaluation process is necessary to make sure that open government initiatives are increasingly effective, as well as reflective of government strategies and stakeholder needs. For example, Cambodia, Malaysia and Singapore used the findings from their evaluations to develop mobile apps that enhanced feedback and complaint mechanisms to improve their public service delivery.

Methodology and definitions

The SEA data were collected through the OECD Open Government and Open Data Survey, conducted in 2018 in Southeast Asia. The Open Government part of the survey was answered by seven countries: Cambodia, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Viet Nam. Respondents were predominantly senior government officials in charge of open government reforms.

The data for OECD countries were collected in 2015 through the Open Government Co-ordination and Citizen Participation in the Policy Cycle Survey. Respondents were predominantly senior government officials in charge of open government reforms.

Further reading

OECD (2016), *Open Government: The Global Context and the Way Forward*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264268104-en*.

Figure notes

6.15. and 6.16: Data for Australia, Japan, Korea and New Zealand are for 2015. Note that at the time of the survey, the responsibilities of Australia's open government co-ordination office had not yet been determined.

6.15. Existence of an office responsible for horizontal co-ordination of open government initiatives, 2018

Country	Is there an office?	Where is this office located?
Indonesia	Yes	National Secretariat Open Government Indonesia, Ministry of National Development Planning
Malaysia	Yes	Malaysian Administrative Modernisation and Management Planning Unit
Philippines	Yes	Open Government Partnership Secretariat, Fiscal Planning and Reforms Bureau, Department of Budget and Management
Singapore	Yes	Smart Nation Digital Government Group, Prime Minister's Office
Thailand	Yes	E-Government Agency, Public Sector Development Commission
Viet Nam	Yes	Department within the Government Office
Cambodia	No	
Australia	Yes	Department of the Prime Minister and Cabinet
Japan	Yes	National Strategy Office of Information and Communications Technology, Cabinet Secretariat
Korea	Yes	Government 3.0 Committee, Prime Minister's Office
New Zealand	No	

Sources: For SEA countries, OECD (2018) Open Government and Open Data Survey. For OECD countries, OECD (2015) Open Government and Open Data Survey.

StatLink https://doi.org/10.1787/888933841482

6.16. Responsibilities of the open government co-ordination office, 2018

	Coordinate the implementation of Open Government initiatives	Develop the open government strategy	Monitor implementation	Evaluate impact	Communicate the reforms	Assign some financial resources for its implementation
Cambodia	○	○	○	○	○	○
Indonesia	●	●	●	●	●	●
Malaysia	●	●	●	○	○	○
Philippines	●	●	●	●	●	●
Singapore	●	●	●	●	●	●
Thailand	●	●	●	●	●	○
Viet Nam	●	○	○	○	○	○
SEA Total	6	5	5	4	4	3
Australia	○	○	○	○	○	○
Japan	●	●	●	●	●	●
Korea	●	●	●	●	●	○
New Zealand	○	○	○	○	○	○
OECD Total	25	26	23	16	22	4

Key:
Yes = ●
No = ○

Sources: For SEA countries, OECD (2018) Open Government and Open Data Survey. For OECD countries, OECD (2015) Open Government and Open Data Survey.

StatLink https://doi.org/10.1787/888933841501

The OECD describes co-ordinating and implementing open government strategies and initiatives as "a culture of governance that promotes the principles of transparency, integrity, accountability and stakeholder participation in support of democracy and inclusive growth" (OECD, 2016). Like other cross-cutting and ambitious reform processes, this poses a range of challenges. If the strategy and initiatives are not adequately implemented, countries cannot fully benefit or achieve better public governance outcomes. One way to ensure proper implementation is for countries to demonstrate their political will to overcome the challenges they face.

Of the top three challenges to co-ordinating open government initiatives, the most commonly reported by the SEA countries (by five of the seven) was the lack of, or insufficient mandate for, the co-ordinating institution. For both Cambodia and Viet Nam, this was the main challenge. Three of the SEA countries (37.5%) cited the lack of or insufficient incentives among government institutions to co-ordinate as one of their top three challenges, compared to 57% of OECD countries (their most common challenge). Furthermore, the lack of or insufficient incentives was noted as one of the top three challenges in Japan and as the main challenge in Korea. This seems to indicate that formal institutional co-ordination mechanisms are a necessary but insufficient step in ensuring a coherent approach to open government; ultimately, countries will need to address the values and incentives that underlie greater openness.

When it comes to implementation challenges, one of the most pressing is insufficient financial resources, identified in five of the seven SEA countries. For Malaysia and Singapore, this is the main challenge. Four of the SEA countries listed general resistance to change in the public sector; lack of or inappropriate implementation mechanisms; lack of or insufficient human resources; and lack of or insufficient awareness of the benefits to open government among public officials as challenges to implementation. However, only Indonesia listed one of these – general resistance to change in the public sector – as the top challenge. In contrast, 63% of OECD countries referred to the lack of awareness of open government reform benefits among public officials as one of the key challenges to implementing the open government strategy and initiatives, including Australia and Japan, which ranked this as the main challenge.

Implementing open government principles requires new skills and attitudes from public servants. Human resources management (HRM) practices therefore need to be adjusted to promote open government and help ensure that staff are able to incorporate the relevant skills into their daily activities. Indonesia and Singapore, however, indicate that no concrete actions have been taken to promote open government initiatives through HRM practices. Cambodia, the Philippines and Viet Nam note that they promote the implementation of open government initiatives in a number of ways: by including open government principles and practices in public officials' performance agreements, evaluations or accountability frameworks; by requiring officials to regularly report publicly on progress made in implementing them; and by requiring officials to regularly report internally on progress made in implementing them.

Methodology and definitions

The SEA data were collected through the OECD Open Government and Open Data Survey, conducted in 2018 in Southeast Asia. The survey questions regarding challenges were answered by seven countries: Cambodia, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Viet Nam. Respondents were predominantly senior government officials in charge of open government reforms.

The data for OECD countries were collected in 2015 through the Open Government Co-ordination and Citizen Participation in the Policy Cycle Survey. Respondents were predominantly senior government officials in charge of open government reforms.

Further reading

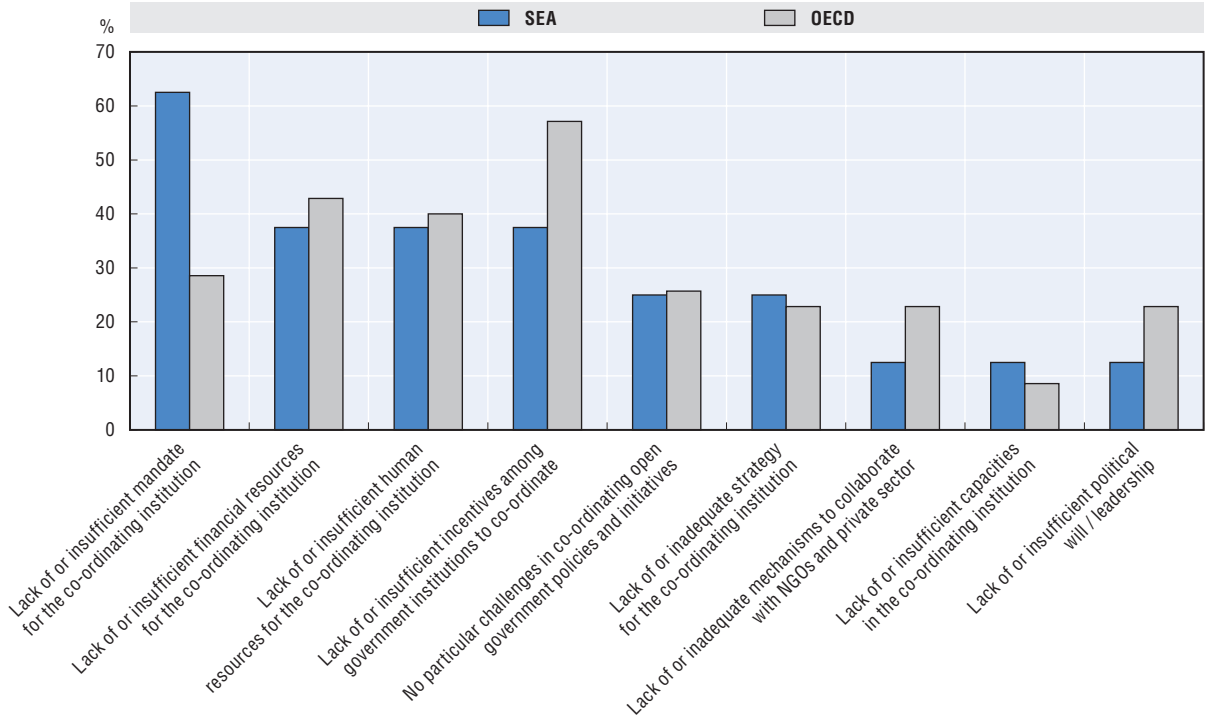
OECD (2016), *Open Government: The Global Context and the Way Forward*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264268104-en*.

Figure notes

6.17. and 6.18: Data for the SEA average were calculated based on the responses from the seven countries which responded to these questions.

6.18: Countries provided data for the 5 main challenges in implementing open government initiatives.

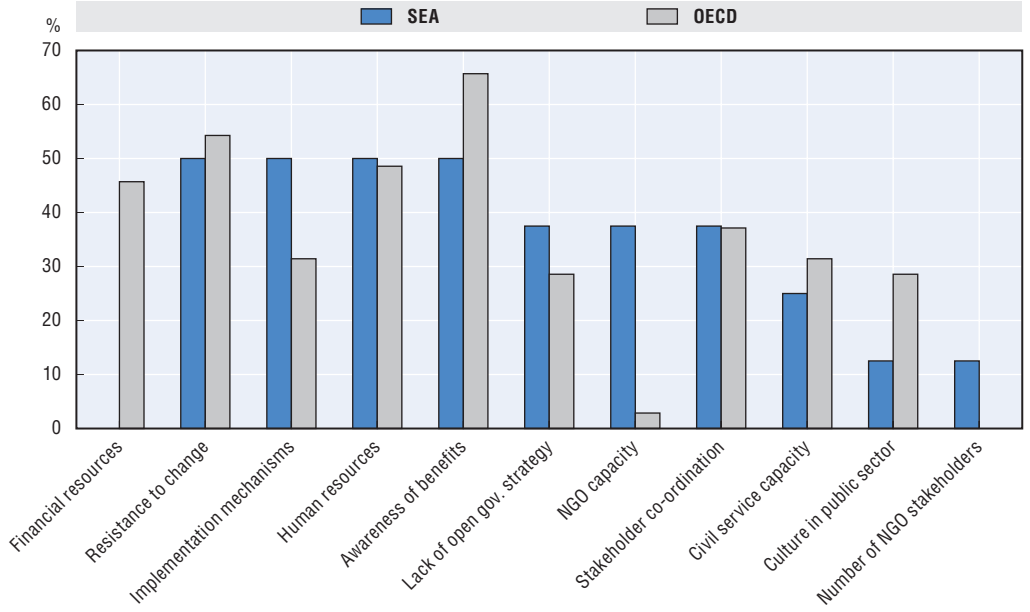
6.17. Main challenges in co-ordinating open government policies and initiatives, 2018



Sources: For SEA countries, OECD (2018) Open Government and Open Data Survey. For OECD countries, OECD (2015) Open Government and Open Data Survey.

StatLink https://doi.org/10.1787/888933841520

6.18. Main challenges in implementing open government initiatives, 2018



Sources: For SEA countries, OECD (2018) Open Government and Open Data Survey. For OECD countries, OECD (2015) Open Government and Open Data Survey.

StatLink https://doi.org/10.1787/888933841539

Governments and public organisations produce and collect a wide range of data when performing their day-to-day activities. Open government data (OGD) is a strategic policy tool that can generate significant benefits within and outside the public sector. Using OGD can help governments design and deliver better policies and services, to better anticipate emerging societal trends and user needs and to improve performance monitoring. Furthermore, OGD can empower citizens to make better-informed decisions, to enhance their understanding of government activities and to participate in the design and implementation of public policies, thereby improving public services. OGD can also help businesses, the economy and society as a whole to produce better outcomes, as well as create new business opportunities.

The numerous benefits of OGD call for governments to implement overarching open data strategies, as well as to provide a framework promoting data availability, accessibility and reuse. The OECD OURdata (Open-Useful-Reusable Data) Index aims to assess the relative strengths and weaknesses of countries on a selected set of indicators and to help identify potential areas for action. It measures the implementation level of the International Open Data Charter principles at the central/federal level, based on a framework developed by the OECD.

In half of the eight countries surveyed, there are no formal requirements for all public sector organisations to make their data open by default. Four countries (Indonesia, Philippines, Singapore and Thailand) publish a single document listing legitimate reasons for public sector organisations to restrict the release of government data. This stands in contrast to most OECD countries, which require that public sector organisation data should be open by default, either in law or in executive decrees. Most OECD countries have also released online in a single document the list of legitimate reasons for restricting the release of government data by default.

In most countries there has been relatively little effort to engage stakeholders in the open data ecosystem (the different actors inside or outside the public sector contributing to the publication and reuse of OGD), to either promote government data release or to enhance its quality. Only Malaysia and Thailand have overarching requirements for public sector organisations to regularly conduct consultations with users to inform them of open data plans. In Indonesia and the Philippines, such requirements have been adopted by some ministries/agencies. Five of the eight countries actively consult different groups of users to develop open data plans, although few of these countries have formal requirements to do so.

The SEA countries do not have initiatives in place to promote OGD reuse, either within the public sector or outside of it, apart from Indonesia and Malaysia. Only Singapore has organised focus groups or information sessions (often with business representatives) to better understand data needs or present the benefits of OGD. Only Indonesia and Thailand have organised frequent focus groups or information sessions with civil society representatives. Indonesia alone has run frequent sessions to train public servants on the reuse of OGD; in Brunei Darussalam, Cambodia and Thailand, these have never taken place, and in the remaining countries they happen rarely. However, in most OECD countries in the region, training sessions for public servants are on average run more than 11 times a year.

Indonesia and Malaysia are the only countries that have undertaken comprehensive assessments to understand the main barriers to businesses reusing OGD. Malaysia alone has done so for civil society organisations as well. Research on the economic and social impact of OGD as well as on public sector performance has not been carried out in most countries. Of the four OECD countries in the region, Japan and New Zealand have done research on the economic and social impact of OGD.

Methodology and definitions

Data were from the OECD OGD Survey 3.0 conducted in 2018 for SEA countries and from the OECD OGD Survey conducted in 2017 for OECD countries. The SEA survey was modified for the region. It was completed by all SEA countries except Lao PDR and Myanmar. Survey respondents were predominantly chief information officers. OECD average is based on 32 OECD countries (data are not available for Hungary, Iceland and Luxembourg). Responses represent countries' own assessments of current practices and procedures regarding OGD. Data refer only to central/federal governments and exclude practices at the state/local levels.

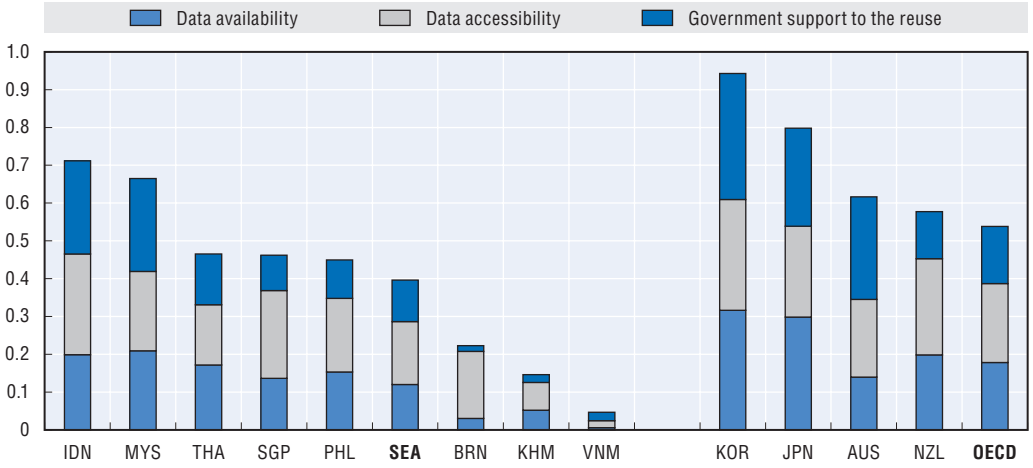
The composite index is based on the International Open Data Charter principles. The Index contains 140 data points. Annex B contains a description of the methodology used to construct this index.

Further reading

OECD (forthcoming), *Open Government Data Report: Towards the Maturity and Sustainability of Open Data Policies*, OECD Publishing, Paris.

Ubaldi, B. (2013), "Open government data: Towards empirical analysis of open government data initiatives", *OECD Working Papers on Public Governance*, No. 22, OECD Publishing, Paris.

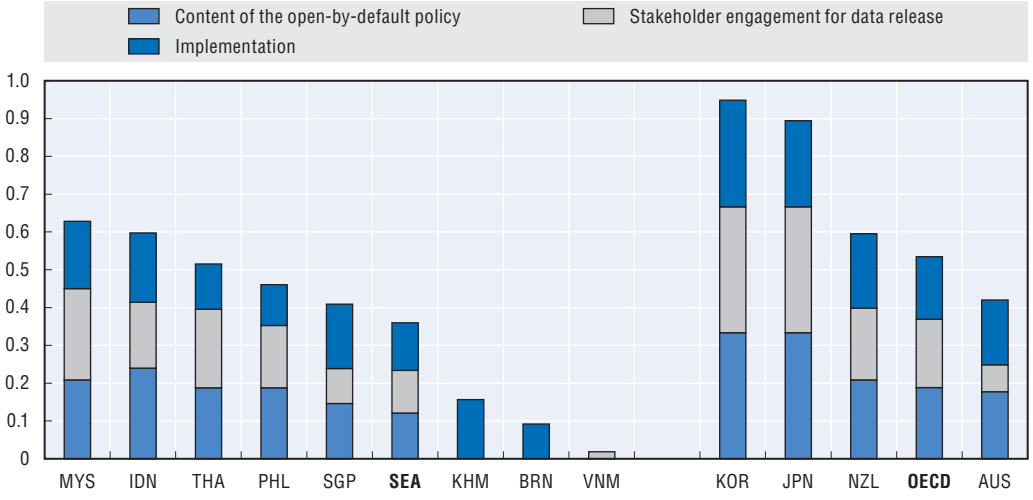
6.19. Open-Useful-Reusable Government Data (OURdata) Index, 2018



Sources: For SEA countries, OECD (2018) Open Government Data Survey. For OECD countries, OECD (2017) Open Government Data Survey.

StatLink https://doi.org/10.1787/888933840228

6.20. OURdata Index: Data availability (Pillar 1), 2018



Sources: For SEA countries, OECD (2018) Open Government Data Survey. For OECD countries, OECD (2017) Open Government Data Survey.

StatLink https://doi.org/10.1787/888933841558

Chapter 7

Serving citizens

Citizen satisfaction with public services helps show how public services are perceived relative to citizens' expectations. Data regularly collected through the Gallup World Poll allows some comparative analysis of citizens' satisfaction levels with a range of public services, notably for health, education and justice. Interpreting cross-country comparisons of citizen satisfaction with public services should be made with caution, as perceptions can be influenced by many other reasons beyond the access, responsiveness and quality of services, such as differing expectations, cultural factors, communications, current events or other factors.

As citizen expectations increase, many governments are seeking to develop more citizen-centric public services to ensure their needs are met. In a few SEA countries, public sector organisations monitor citizen satisfaction with public services to evaluate the impact of reforms and identify areas for further action. However, most countries do not measure citizen satisfaction, and amongst those who do, survey instruments and methodologies are not standardised at the national level and across countries.

In 2017, on average, 79% of citizens in SEA countries reported being satisfied with the availability of quality health care in the city or area where they live. This is slightly higher than a decade earlier (76%) and also higher than the OECD average in 2017 (71%). Citizen satisfaction is the highest in Singapore (93%) and the lowest in Viet Nam (62%).

Over the last 10 years, citizen satisfaction with the healthcare system increased the most in Cambodia (by 16 p.p.), as this period coincided with a series of health finance policies aimed at mitigating costs to improve access, particularly for vulnerable groups (Ensor et al., 2017). On the other hand, satisfaction has decreased the most in Thailand (by 5 p.p.). Although Thailand introduced a Universal Coverage Scheme in 2001, some research finds that a significant proportion of beneficiaries nonetheless utilise out-of-network services, implying a lack of universal access or better service by private providers (Paek et al., 2016).

A majority of citizens in SEA countries also report being satisfied with their education system and schools (83% in 2017). This is higher than the OECD average (68%) as well as satisfaction levels in the four OECD countries in the region. Citizen satisfaction with the education system is highest in Cambodia (90%), the Philippines, Singapore and Thailand (86% in each). It is lowest in Viet Nam (77%) and Malaysia (75%).

Over the past decade, satisfaction with the education system increased the most in Indonesia (by 10 p.p.) and decreased the most in Malaysia (by 11 p.p.). The increase in satisfaction in Indonesia is likely associated with the country having the fifth-fastest improving education system among the 72 countries that took part in the OECD Programme for International Student Assessment (PISA) between 2012 and 2015.

The reported level of confidence with the judicial system and the courts is generally below the satisfaction levels with health and education systems, a trend that mirrors OECD countries. In 2017, on average, 69% of citizens in SEA countries reported having confidence in the judicial system and the courts, an increase of 6 p.p. since 2007. Compared to other services, the perceived confidence with the judicial system might be less based on personal experiences since fewer people interact with the courts than with the health and education systems.

Citizen confidence in the judicial system was highest in Singapore (89%) and lowest in Malaysia (55%) in 2017. Over the past decade, confidence has increased significantly in Indonesia (by 37 p.p.) and Cambodia (27 p.p.). It has declined in Malaysia (by 14.p.p.), Thailand (by 11 p.p.) and Lao PDR (by 10 p.p.).

Methodology and definitions

Data were collected by Gallup World Poll, generally based on a representative sample of 1 000 citizens in each country. More information about this survey is available at: *www.gallup.com/home.aspx*.

Data on the level of satisfaction with health care refer to the percentage of people who answered "satisfied" to the question: "In the city or area where you live, are you satisfied or dissatisfied with the availability of quality health care?"

For education, data refer to the percentage of people who answered "satisfied" to the question: "In the city or area where you live, are you satisfied or dissatisfied with the educational system or the schools?"

For justice, data refer to the percentage of people who answered "yes" to the question: "In this country, do you have confidence in each of the following, or not? How about the judicial system and courts?"

Further reading

Ensor, T., C. Chhun, T. Kimsun, B. McPake and I. Edoka (2017), "Impact of Health Financing Policies in Cambodia: A 20 Year Experience," *Social Science & Medicine*, Vol. 177, Elsevier, Amsterdam, pp. 118-126.

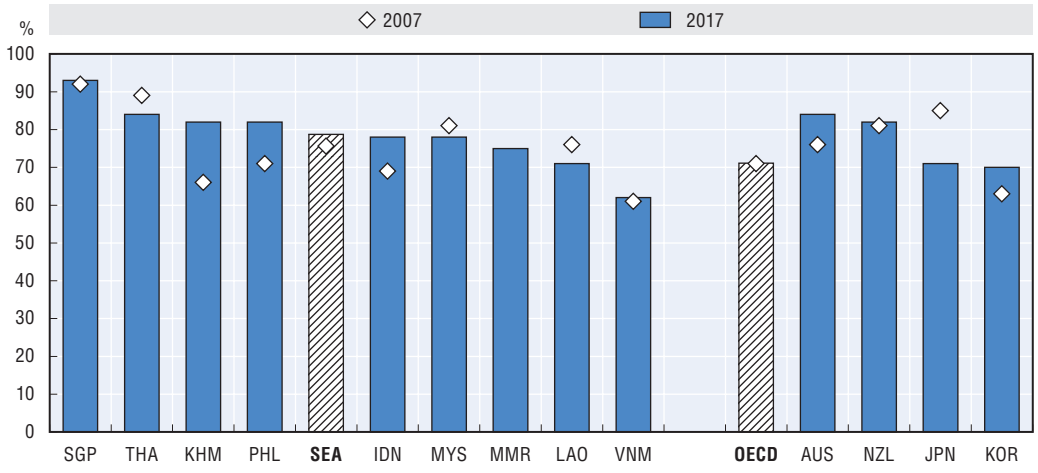
Paek, S.C., N. Meemon and T.T.H. Wan (2016), "Thailand's universal coverage scheme and its impact on health-seeking behaviour," *SpringerPlus*, Vol. 5/1, Springer, New York.

Figure notes

7.1, 7.2 and 7.3: Data for Viet Nam are for 2016 rather than 2017. Data for Malaysia are for 2015 rather than 2017. Data for Myanmar are not included in the SEA average due to missing time series.

7.3: The Korean data are not displayed. The OECD is working towards improving the quality of data on judicial system and the courts.

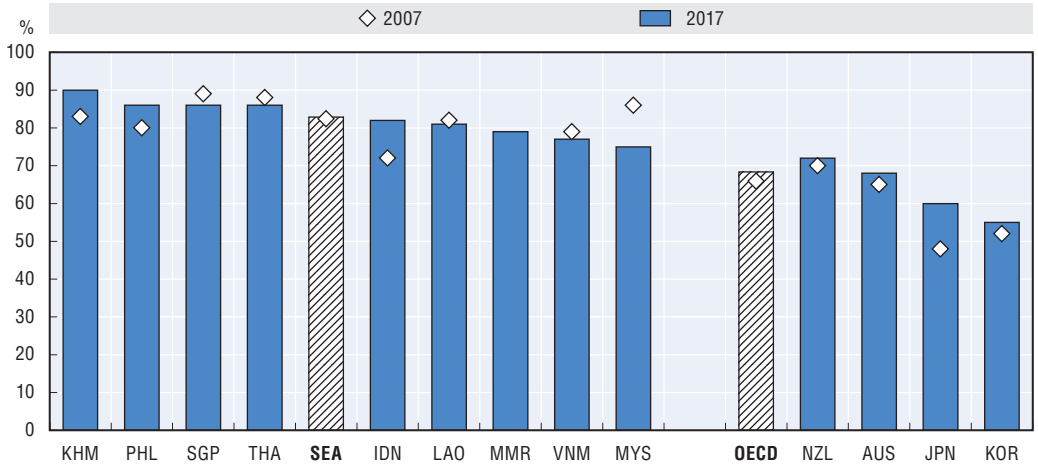
7.1. Citizen satisfaction with the health care system, 2007 and 2017



Source: Gallup World Poll (database).

StatLink https://doi.org/10.1787/888933841577

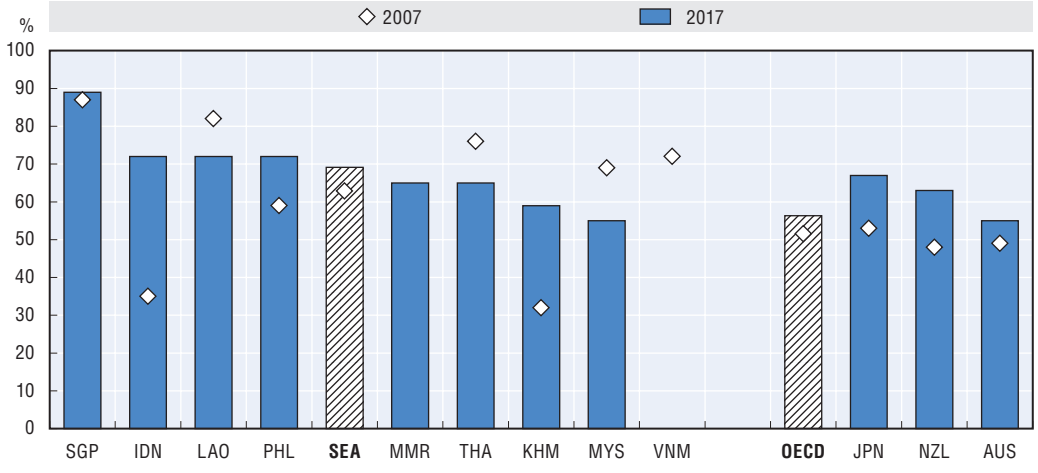
7.2. Citizen satisfaction with the education system and schools, 2007 and 2017



Source: Gallup World Poll (database).

StatLink https://doi.org/10.1787/888933841596

7.3. Citizen confidence in the judicial system and courts, 2007 and 2017



Source: Gallup World Poll (database).

StatLink https://doi.org/10.1787/888933841615

Chapter 7 discusses three public service sectors – healthcare, education and justice. The OECD Serving Citizens Framework identifies access, responsiveness, and quality of services as factors that matter most to citizens. For each of these three dimensions, key indicators are presented where sufficient data are available for the SEA countries; this section focuses on responsiveness in education systems.

The key metrics for assessing responsiveness vary across services; for instance, timeliness of interventions are particularly important in health care and justice. For education, responsiveness is typically assessed by looking at the extent to which students benefit from adequate materials and teaching methods.

For the education system, a good indicator is the index of the shortage of educational materials: the extent to which school principals report insufficient educational materials or infrastructure hindering their schools' capacity to teach. Evidence from the OECD's Programme for International Student Assessment (PISA) study shows that students at schools where principals reported greater concerns about educational materials tend to have lower scores, while noting that these students and schools are socio-economically more disadvantaged.

Among SEA countries in 2015, the shortage of educational materials is particularly acute in Indonesia; similarly in Japan among the four OECD countries in the region. This is also an issue in Viet Nam and Thailand, which are at a comparable level to Korea among OECD countries in the region. Singapore fares the best on the index compared with all SEA and OECD countries in the region, as well as against the OECD average. This is linked to Singapore coming top in the 2016 PISA study. However, since the index data is based on perceptions, the criteria of what constitutes a shortage of material may likely vary across countries.

At the school level, homework-assistance programmes organised by schools can create the right conditions for students to complete their school assignments and gain self-confidence, particularly for those students who would otherwise not participate in after-school programmes (Cosden et al., 2004).

Across the five SEA countries for which there are data, an average of 85% of students are enrolled in schools that provide a room where students can do their homework. This is higher than the OECD average of 74%, though the four OECD countries in the region fare similarly to the SEA average. Among SEA countries there is wide variation however, from a high of 94% in Singapore to a low of 42% in Viet Nam and Indonesia.

Moreover, 72% of students in SEA attend schools where staff are available to help students with their homework. Again, this is higher than the OECD average of 60%, though the percentages are much higher in Australia, Japan and New Zealand. Only Korea fares worse, where 41% of students have access to help with homework, though this may be due to the prevalence of a private tutoring system. There is also a large degree of variation between SEA countries – from a high of 86% in Singapore to a low of 48% in Indonesia.

Methodology and definitions

Data for all figures come from the 2015 Programme for International Student Assessment. It assessed the competencies of 15-year-olds in reading, mathematics and science (with a focus on science) in 72 countries and economies. For more information on the underlying data see: *www.oecd.org/pisa*.

The index of shortage of educational material was calculated based on the responses provided by school principals. They were asked how much their school's capacity to provide instruction was hindered ("not at all", "very little", "to some extent" or "a lot") by a shortage or inadequacy of physical infrastructure. This included school buildings, heating and cooling systems and instructional space; and educational material, such as textbooks, laboratory equipment, instructional materials and computers. The average on the index is zero and the standard deviation is one across OECD countries. Positive values reflect principals' perceptions that the shortage of educational material hinders the capacity to provide instruction to a greater extent than the OECD average; negative values indicate that the school principals believe the shortage hinders the capacity to provide instruction to a lesser extent.

The socio-economic profile is measured by the PISA index of economic, social and cultural status.

Further reading

Cosden, M. G. Morrison, L. Gutierrez, & M. Brown (2004), "The effects of homework programs and after-school activities on school success," *Theory Into Practice*, Vol. 43(3), Taylor & Francis, London, pp. 220-226.

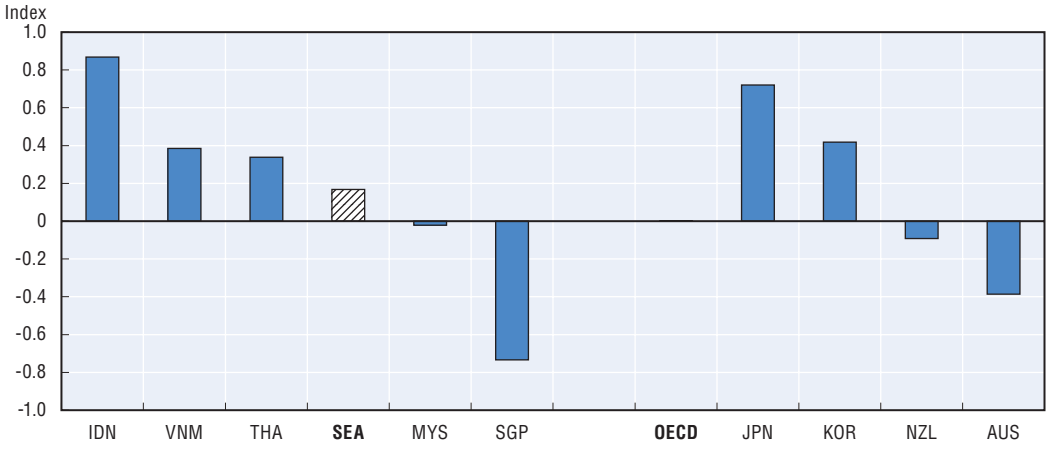
OECD (2016), *PISA 2015 Results (Volume II): Policies and Practices for Successful Schools*, PISA, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264267510-en*.

Figure notes

7.4: Higher values on the index indicate a greater shortage of educational material; Countries and economies are ranked in descending order of the index of shortage of educational material.

7.4 and 7.5: In Malaysia, the PISA assessment was conducted in accordance with the operational standards and guidelines of the OECD. However, the weighted response rate among the Malaysian schools sampled initially (51%) falls well short of the standard PISA response rate of 85%. Therefore, the results may not be comparable to those of other countries.

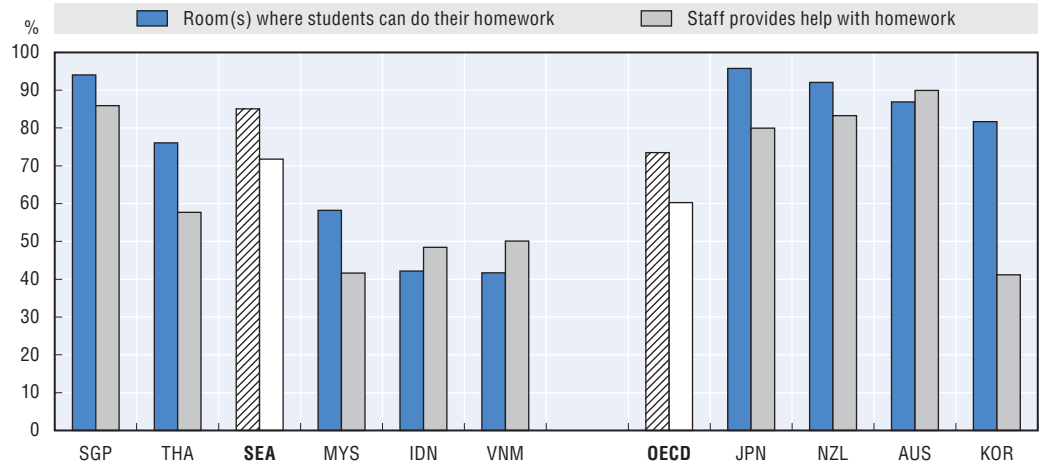
7.4. Index of shortage of educational material, 2015



Source: OECD (2015) PISA Database, Table II.6.2.

StatLink https://doi.org/10.1787/888933841634

7.5. Percentage of students in schools where study help is provided, 2015



Source: OECD (2015) PISA Database, Table II.6.42.

StatLink https://doi.org/10.1787/888933841653

Chapter 7 discusses three public service sectors – healthcare, education and justice. The OECD Serving Citizens Framework identifies access, responsiveness, and quality of services as factors that matter most to citizens. For each of these three dimensions, key indicators are presented for the SEA countries where sufficient data are available; this section focuses on access to justice.

Enabling equal access to legal and justice services for all is essential for the proper functioning of the rule of law. Legal and justice services can be assessed – in terms of whether they are people-focused, effective and efficient – by measuring access to financial legal aid, to information on laws and legal procedures and legal and administrative literacy and capability.

Population perception surveys are useful in assessing barriers to accessing legal actions and assistance. However, data should be interpreted with caution, especially in international comparisons, since they are based on a limited number of respondents; can be impacted by cultural biases; and were collected in urban areas only. Improving the quality of evidence on access to justice services from population surveys and administrative data sources is important to foster citizen-centric access to justice. Evidence suggests that unmet legal needs can be costly to individuals, communities and economies.

Civil justice is essential, being the law concerning disputes on issues such as property and personal injury, affecting many citizens. Based on data collected by the World Justice Project in 2017, there is wide variation in SEA countries in terms of accessibility and affordability of civil justice services. Countries with the highest scores are Singapore (0.61), Malaysia (0.58) and Thailand (0.57), while Cambodia (0.30) and Myanmar (0.37) have the lowest. Other SEA countries (Indonesia, Viet Nam and the Philippines) have scores close to the SEA average of 0.49. In Myanmar, citizens who have sought access to justice perceive that the formal justice system favours those with wealth, education and connections (UNDP, 2017). This affects citizens' perceptions of access to justice, explaining Myanmar's low score. The OECD average stands at 0.62, higher than the SEA average.

Alternative dispute resolution mechanisms (ADRs) allow disputing parties the opportunity to discuss and settle issues with the help of a neutral third party, affording citizens and businesses considerable time and money savings. Other advantages of ADRs include more flexible agreements than in a court and increasing access to justice, as not everyone can afford formal court or legal fees. The 2017 data on civil justice, assessing whether countries' ADRs are accessible, impartial and effective, ranks Singapore (0.77), the Philippines (0.62) and Indonesia (0.59) highest in SEA. Cambodia (0.35) has the lowest rank, far below other SEA countries. The rest of the SEA countries for which data are available (Malaysia, Myanmar, Thailand and Viet Nam) have scores that are close to the SEA average of 0.59. In contrast, OECD countries fare much better for the same index, with an average of 0.80.

Methodology and definitions

Data are collected by the World Justice Project (WJP) by a set of questionnaires based on the rule of law index's conceptual framework. The questionnaires are administered to representative samples of the general public and to legal experts. For the general public, a probability sample of 1 000 respondents in the three largest cities of each country is selected. For legal experts, qualified respondents' questionnaires complement the household data with assessments from in-country professionals with expertise in civil and commercial law, criminal justice, labour law and public health. The services of local polling companies are engaged to administer the survey to the public.

Data are available for eight SEA countries and for 28 OECD countries. The WJP Rule of Law Index 2017 report presents information on eight composite factors that are further disaggregated into specific sub-factors. All variables used to score each of the factors are coded and normalised to range between 0 and 1, where 1 signifies the highest score and 0 the lowest. More information on the selected factor and its sub-factors of civil justice is available online at: *https://worldjusticeproject.org/our-work/wjp-rule-law-index/wjp-rule-law-index-2017%E2%80%932018/factors-rule-law/civil-justice-factor-7*.

Further reading

UNDP (2017), *Access to Justice and Informal Justice Systems in Kachin, Rakhine and Shan States*, United Nations Development Programme, New York.

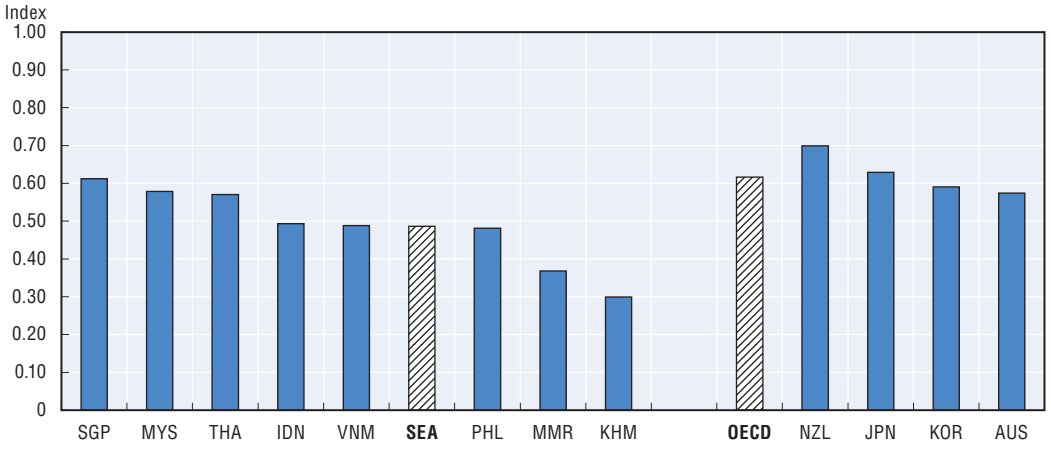
WJP (2017), *Rule of Law Index 2017-2018*, World Justice Project, Washington, DC, *https://worldjusticeproject.org/sites/default/files/documents/WJP_ROLI_2017-18_Online-Edition.pdf*.

Figure notes

7.6: The indicator measures the accessibility and affordability of civil courts, including whether people are aware of available remedies; can access and afford legal advice and representation; and can access the court system without incurring unreasonable fees, encountering unreasonable procedural hurdles, or experiencing physical or linguistic barriers.

7.7: The indicator measures whether alternative dispute resolution mechanisms (ADRs) are affordable, efficient, enforceable and free of corruption.

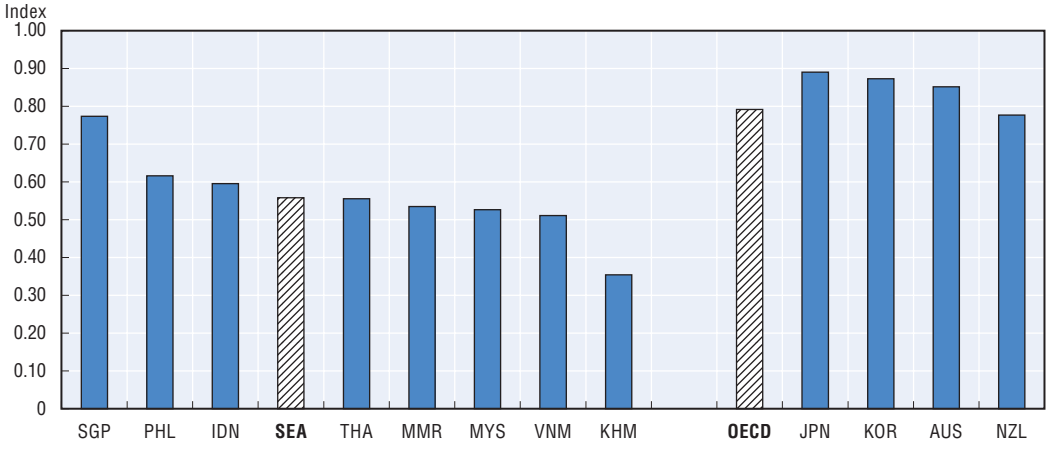
7.6. Citizens can access and afford civil justice, 2017



Source: WJP (2017), Rule of Law Index 2017-2018, World Justice Project.

StatLink https://doi.org/10.1787/888933841672

7.7. Civil justice: Alternative dispute resolution mechanisms are accessible, impartial and effective, 2017



Source: WJP (2017), Rule of Law Index 2017-2018, World Justice Project.

StatLink https://doi.org/10.1787/888933841691

Chapter 7 discusses three public service sectors – healthcare, education and justice. The OECD Serving Citizens Framework identifies access, responsiveness, and quality of services as factors that matter most to citizens. For each of these three dimensions, key indicators are presented where sufficient data are available for the SEA countries; this section focuses on quality in healthcare. This indicator can be assessed at least partly by looking at the mortality rates for the main causes of death, one of which is cancer.

In OECD countries, some of the most frequent and serious health problems include cardiovascular disease and different types of cancer. In SEA countries, a high burden of communicable diseases raises concerns that countries have not been effective in eradicating vaccine-preventable diseases despite government policies and interventions. There has also been an increase in non-communicable diseases (NCD) and NCD-related deaths in Asia due to behavioural risk factors such as increased tobacco use, alcohol consumption and inadequate physical activity. The importance of having a high-quality health care system is evident; while more efforts can go into prevention, health care systems have a major role to play in the early detection of health problems and in providing effective and timely treatments when they are diagnosed.

Cancer is well established as a leading cause of death globally. As prevalence of cancer rises in Asia, either due to medical advancements or increasing awareness, the economic toll on patients and families remains a challenge. Lengthy treatments can impose financial strains and have a worse effect on citizens in low- and middle-income countries, where social safety nets such as health insurance are often limited. Thus, understanding living standards and types of medical assistance available in countries can be useful to analyse mortality rates, as an indication of the existing quality of health care services.

Estimated cancer mortality rates therefore constitute one indicator of the quality of health care available in countries. In Asia, the most common cancers in men include lung, stomach and liver cancers; in women, breast, lung and cervical cancers. Across SEA countries, the average estimated cancer mortality rate is 115 deaths per 100 000 population, slightly lower than the OECD average of 121 deaths. Estimated cancer mortality rates vary widely in the region however. The SEA countries with the highest incidence are Brunei Darussalam (143 deaths per 100 000 population) and Lao PDR (140 per 100 000) in 2016. Countries with the lowest estimated cancer mortality for the same year are Malaysia (96 per 100 000) and the Philippines (92 deaths per 100 000).

Across all SEA and OECD countries, estimated cancer mortality rates have decreased from 2010 to 2016, except in Brunei Darussalam. In SEA, the average rate decreased from 119 to 115 deaths per 100 000 population during this period.

Estimated cancer mortality rates by gender are generally higher for males than females; though once again there is a large variation across SEA countries. In 2016, Lao PDR was the country with the highest estimated cancer mortality rate for males (181 deaths per 100 000 population) – the Philippines had the lowest, recording 102 deaths per 100 000 population for males in the same year. For women in 2016, there were estimated to have been 125 deaths per 100 000 population in Brunei Darussalam; in stark contrast, estimates for Thailand are 80 deaths per 100 000 population. Despite the general decrease in estimated mortality rates for both males and females in OECD and SEA countries from 2010 to 2016, early diagnosis remains key to reducing mortality rates. Access to cancer diagnosis and care thus needs to be actively promoted through public health interventions or wider health coverage (OECD, 2013).

Methodology and definitions

Mortality rates are calculated by dividing annual numbers of deaths by mid-year population estimates. Rates have been age-standardised to the UN World Population Prospects to remove variations arising from differences in age structures across countries. Cancer mortality rates refer to Category A malignant neoplasms of the Global Health Estimates cause.

The WHO Global Health Estimates project draws on a wide range of data sources to quantify global and regional effects of diseases, injuries and risk factors on population health. WHO has also developed life tables for all member states, based on a systematic review of all available evidence on mortality levels and trends.

A general assessment of the coverage, completeness and reliability of causes of death data has been published by WHO (Mathers et al., 2018).

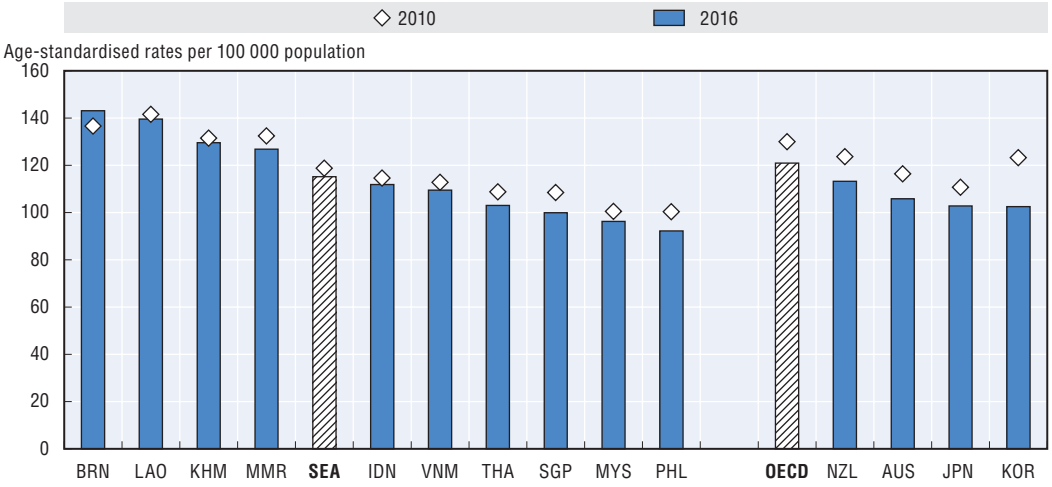
Further reading

Gupta, I. and P. Guin (2010), "Communicable diseases in the South-East Asia region of the World Health Organization: Towards a more effective response," *Bulletin of The World Health Organization,* No. 88, WHO, Geneva, pp. 199-205.

Ng, C. et al. (2015), "Relationships between cancer pattern, country income and geographic region in Asia," *BMC Cancer,* Vol. 15, BioMed Central, London, p. 613.

OECD (2013) *Cancer Care: Assuring Quality to Improve Survival*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264181052-en*.

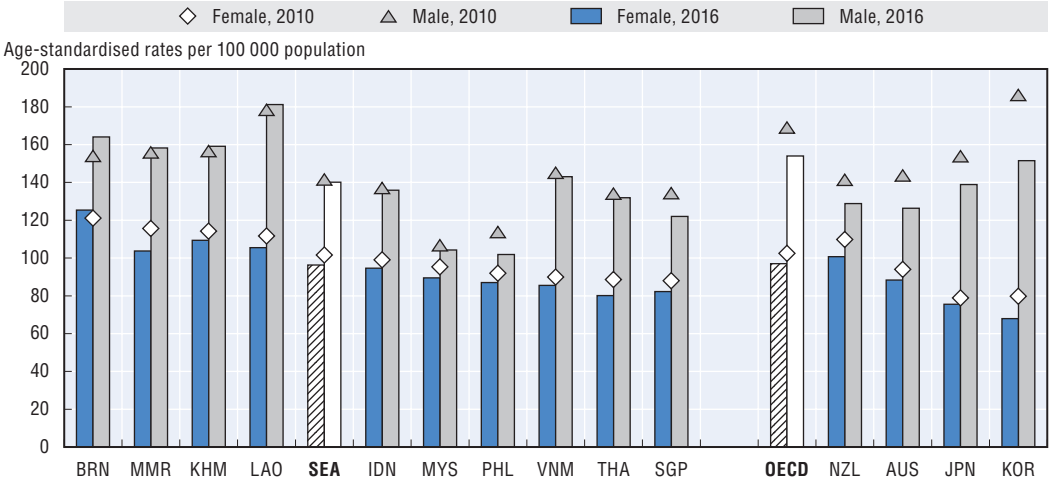
7.8. Estimated cancer mortality rates, 2010 and 2016



Source: World Health Organization (2018), Global Health Estimates 2016: Deaths by Cause, Age, Sex, by Country and by Region, 2000-2016.

StatLink https://doi.org/10.1787/888933841710

7.9. Estimated cancer mortality rates by gender, 2010 and 2016



Source: World Health Organization (2018), Global Health Estimates 2016: Deaths by Cause, Age, Sex, by Country and by Region, 2000-2016.

StatLink https://doi.org/10.1787/888933841729

ANNEX A

HRM practices composite indexes

This edition of *Government at a Glance Southeast Asia 2019* included six composite indexes on human resource management (HRM) practices. They are: 1) delegation in human resources management practices; 2) staff performance assessments/appraisal; 3) performance-related pay; 4) recruitment systems in central government; 5) separate human resources practices for senior civil servants; and 6) data-informed HRM. Data used to construct the composite indexes were derived from the OECD survey on Strategic Human Resources Management and were collected from Southeast Asian countries in 2017-2018 and from OECD countries in 2016. Survey respondents were predominantly senior officials in central government HRM departments, and data refer only to HRM practices at the central government level.

The composites presented here, including the variables comprising each index and their relative weights, are based on concepts that reflect contemporary public sector HRM developments and dilemmas on how best to manage human resources in the public sector in the 21st century. These include characteristics of recruitment systems; building a skilled workforce and learning environments; use of evidence in human resources (HR) decisions; and the extent of decentralisation of HRM practices, and were previously reviewed by the OECD's Working Party on Public Employment and Management in 2016. Different techniques to estimate missing values were applied based on the nature of the missing information, including mean replacement and/or expert judgment. In order to eliminate scale effects, all the variables were normalised between "0" and "1" prior to the final computation of the index.

The narrowly defined composite indexes presented in this publication represent the best way of summarising discrete, qualitative information on key aspects of HRM practices. However, the development of composite indexes and their use can also be controversial, as these indexes are easily and often misinterpreted by users due to a lack of transparency as to how they were generated, resulting in difficulties understanding what they are actually measuring. When making cross-country comparisons, it is crucial to consider that definitions of the civil services, as well as the organisations governed at the central level of government, may differ across countries.

Extent of delegation of HRM practices in line ministries in central government

Variables, weights and scoring

The following variables have been used in constructing this index and were given equal weights. The total score is the average of the score of the variables.

Table A.1. **Scores assigned to country responses to questions comprising the delegation index**

	Survey question (SHRM SEA 2018[1])	Scoring and weight	
Q5 [Q21]	Is there a central agency/department/unit in charge of human resources at central/national/federal government level?	a) Yes: 0.750; b) No: 1.000; c) Not responsible, but a central agency/ department aims to coordinate the HR policies across departments: 1.000	20%
Q8 [Q8]	Delegation of establishment (see list below) is primarily determined by: (see options in scoring section). *Where are the following issues primarily determined?* (1). Numbers and types of posts within organisations; (2). Allocation of budget envelope between payroll and other expenses.	Each sub-question 8(1) and 8(2) was scored as follows: a) Central HRM body (which sets the rules and is closely involved in applying them)/Ministry of Finances: 0.250; b) Central HRM body but with some latitude for ministries/departments/ agencies in applying the general principles: 0.500; c) Ministries/ departments/ agencies, within established legal and budgetary limits: 0.750; d) Unit/team level: 1.000 The final score for this question is an average of the scores for 8(1) and 8(2). If more than one answer, score is the average of answers provided.	20%
Q10 [Q10]	Delegation of decisions regarding compensation levels (see list below) is primarily determined by: (see options in scoring section) *Where are the following issues primarily determined?* (1) General management of pay systems (salary levels, progressions) (2) Management of the variable portion of pay – benefits – performance related pay	Each sub-question 10(1) and 10(2) was scored as follows: a) Central HRM body (which sets the rules and is closely involved in applying them)/Ministry of Finances: 0.250; b) Central HRM body but with some latitude for ministries/departments/ agencies in applying the general principles: 0.500; c) Ministries/ departments/ agencies, within established legal and budgetary limits: 0.750; d) Unit/team level: 1.000 The final score for this question is an average of the scores for 10(1) and 10(2). If more than one answer, score is the average of answers provided.	20%
Q12 [Q12]	Delegation of decisions regarding position classification, recruitment and dismissals (see list below) is primarily determined by: (see options in scoring section) *Where are the following issues primarily determined?* (1) Post classification system – grades (2) Original individual recruitment into the civil service (3) Individual recruitment of casual staff (4) Individual duration of employment contract in the civil service (5) Individual duration of contract in specific posts (6) Individual career management (7) Individual dismissal (7a) following lack of performance (7b) following organisational restructuring (7c) following misconduct	Each sub-question 12(1) - 12(7a-c) was scored as follows: a) Central HRM body (which sets the rules and is closely involved in applying them)/Ministry of Finance: 0.250; b) Central HRM body but with some latitude for ministries/departments/ agencies in applying the general principles: 0.500; c) Ministries/ departments/ agencies, within established legal and budgetary limits: 0.750; d) Unit/team level: 1.000 The final score for this question is an average of the scores for 12(1) - 12(7a-c). Sub-questions a-c of 12(7) carried equal weight as 12(1) – 12(6); (e.g. no average was taken for sub-questions 7a-c). If more than one answer, score is the average of answers provided.	20%
Q14 [Q14]	Delegation of decisions related to other conditions of employment (see list below) is primarily determined by: (see options in scoring section) *Where are the following issues primarily determined?* (1) Flexibility of working conditions (numbers of hours, etc.) (2) Adjustments to working conditions (part time, etc.) (3) Performance appraisal systems (4) Code of conduct (5) Ethics, equal opportunity, equity issues	Each sub-question 14(1) - 14(5) was scored as follows: a) Central HRM body (which sets the rules and is closely involved in applying them)/Ministry of Finances: 0.250; b) Central HRM body but with some latitude for ministries/departments/ agencies in applying the general principles: 0.500; c) Ministries/ departments/ agencies, within established legal and budgetary limits: 0.750; d) Unit/team level: 1.000 The final score for this question is an average of the scores for 14(1) - 14(5). If more than one answer, score is the average of answers provided.	20%

Extent of the use of performance assessments in human resources decisions in central government

Variables, weights and scoring

The performance assessment index encompasses the following variables and weights.

Table A.1. **Extent of the use of performance assessments in HR decisions in central government**

	Survey question (SHRM SEA 2018[2])	Scoring and Weight	
Q42 [Q49]	Is formalised performance assessment mandatory for all government employees?	Yes, for all or almost all: 1.000 No, only for some: 0.500 Not, not used at all: 0.000	25%
Q43 [Q50]	Which tools are used for regular performance assessment and how often are they applied? Meeting w/ immediate superior Written feedback from superior 360 feedback (usually written)	Each sub-question (1-4) was scored as follows: a) every 6 months: 1/3 b) every year: 0.200 c) every two years: 0.100 d) Not used: 0.000 The final score for this question is a sum of the scores for 43-1 to 43-3. If there is more than one answer, score is the average of answers provided.	25%
Q44 [Q51]	What are the current performance criteria explicitly used in most organisations? Outputs / achievement of objectives Improvement of competencies Values, discipline and inputs Interpersonal/management skills	This is a multiple choice question and respondents were to select all items that applied. Each item selected receives a score of 0.250 and the final score for this question is the sum of all items selected.	25%
Q44 [Q54]	How important, according to legal criteria, is having a good performance assessment with regard to: Career advancement Remuneration (bonuses; the grade does not necessarily change) Contract renewal in the civil service/ remaining in the civil service Employment contract renewal in the public service	Each sub-question (1-4) was scored as follows: High: 0.250 Medium: 0.125 Low and Not applicable: 0.000 The final score for this question is a sum of the scores for 44-1 – 44-4.	25%

Extent to which performance-related pay is used in central government

Variables, Weights and Scoring

The following variables have been used in the construction of this index, and were given equal weights:

Table A.2. **Scores assigned to country responses to questions comprising the performance related pay index**

	Survey question (SHRM SEA 2018[3])	Scoring and weight	
Q90 [Q116]	Is performance related pay in use in your country's central government?	Yes: 1.000; No : 0.000	25%
Q90a [Q116a]	If yes, for who does performance related pay applies?	Response considers the following options: For most government employees: 1.000 For senior managers only: 2/3 Only fora few central/national/federal government organizations: 1/3 Other: 1/3	25%
Q90b [Q116b]	Do organisations mostly use: a) One-off performance bonuses b) Performance-based permanent pay increments	Each item selected receives a score of 0.500 and the final score for this question is the sum of the item(s) selected.	25%
Q90c [Q116c]	What is the maximum proportion of basic pay that PRP can represent?	a) 1-5%: 0.2; b) 6-10%: 0.4; c) 11-20%: 0.6; d) 21-40%: 0.8; e) higher: 1	25%

Extent to which the use separate human resources management practices for senior civil servants in central government

Variables, Weights and Scoring

The following items and weights have been used in the construction of this index.

Table A.3. **Scores assigned to country responses to questions comprising the senior civil servants index**

	Survey question (SHRM SEA 2018[4])	Scoring and weight	
Q59 [Q74]	Is there a defined group of staff in central/national/ federal government who are widely understood to be the "senior management"?	a) Yes: 1.000; b) No = 0.000	20%
Q62 [Q77]	Are there policies in place to identify potential senior managers early on in their careers?	a) Yes, they are recruited as part of group selected at entry in the public service or a few years after entry: 1.000; b) Yes, potential leadership is systematically identified in performance assessments and staff career are managed accordingly: 1.000; c) No: 0.000	20%
Q66 [Q82]	Is there a centrally defined skills profile for senior managers?	a) Yes: 1.000; b) Yes, but it only applies to some organisations: 0.500; c) No	20%
Q69 [Q85]	How different is the employment framework of senior managers from that of regular staff?	This is a multiple choice question and respondents were to select all items that applied. Each item selected from the list below receives a score (the values of which are shown below) and the final score is a sum of all items selected. 69a. Recruited with a more centralised process: 0.125 69b. More attention is paid to the management of their careers: 0.250 69d. More emphasis on the management of their performance: 0.500 69e. More emphasis on avoiding conflicts of interest: 0.125 69f. Pay that is not basic salary and not PRP is higher than for regular staff (ex. Guaranteed benefits): 0.250 69g. The part of their pay that is performance-related is higher: 0.500 69i. Appointment is shorter than for regular staff: 0.250	40%

Recruitment systems in central government

Variables, Weights and Scoring

The following items and weights have been used in the construction of this index.

Table A.4. **Scores assigned to country responses to questions comprising the type of recruitment system used in central government index**

	Survey question (SHRM SEA 2018[5])	Scoring and Weight	
Q33 [Q33]	How does one become a civil servant?	Each sub-question was scored as follows: a) Through a competitive examination that provides for entry into a specific group of the public service: 0 b) Through direct application to a specific post and interview: 1 c) It varies depending on the post: 0.5 d) Any combination of these 3 possible responses: 0.5	20%
Q35 [Q35]	How is merit-based recruitment at the entry-level guaranteed in the selection process?	This is a multiple choice question and respondents were to select all items that applied. Each item selected receives a score of 0.125 and the final score is the sum of all the items selected	20%
Q34 [Q34]	How does one individual get a specific position/post?	Each sub-question was scored as follows: a) All posts are open to int. and ext. Recruitment: 1 b) Most posts are open to int. and ext. recruitment: 0.666 c) Some posts are open to int. and ext. recruitment: 0.333 d) No posts are open to ext. Recruitment 0	20%
Q39 [Q41]	For each of these groups, have actions been taken in the last five years to intentionally enhance or reduce the use of external recruitment (outside of the public service)	For each of the 5 groups (senior management, Middle management, Professionals, Secretarial positions and Technical support, respondents were to select: a) More external recruitment: 0.2 b) Less external recruitment: 0 c) No specific measures: 0.1 The final score was the sum of the scores per group.	20%
Q61 [Q76]	Irrespective of the existence of an official "Senior Management", how are senior managers identified?	Each sub-question was scored as follows: a) Originally selected by competitive examination early on in their careers and managed as a group: 0 b) Through career progression within the public service only: 0 c) All senior management positions are open to external recruitment: 1 d) A good proportion of management positions are open to external recruitment: 0.5 The final score is the average of answers provided	20%

Collection of administrative human resources data in central government

Variables, weights and scoring

The following items and weights have been used in constructing this index.

Table A.5. **Scores assigned to country responses to questions comprising the collection and availability of administrative HR data index**

	Survey question (SHRM SEA 2018[6])	Scoring and weight	
Q17 [Q17]	For each of the following categories, please indicate whether standardized administrative data records exist at the Central/ federal level? a. Number of employees b. Level (e.g. grade, junior/senior, etc.) c. Function (e.g. profession) d. Age e. Gender f. Disabilities g. Other minority status h. Level of education i. Length of service j. Languages spoken k. Type of contract (e.g. Civil Servant vs. Other) l. Union membership m. Part time n. Other flexible working arrangements o. Total Sick days used p. Training days used q. Special leave used r. Mobility within the civil service s. Total exit (turnover) data t. Retirements u. Resignations v. Dismissals	Responses to individual variables consider the following options: Yes, standardised data records are available and are centralised for the whole or most of the national/federal civil service: 1.000 Yes, however standardised data records only exist at line ministry level (not aggregated centrally): 0.500 No, currently no standardised administrative data record exists: 0.000	100%

Notes

1. Numbers in square brackets refer to the question number in the 2016 OECD Strategic Human Resources Management (SHRM) Survey.
2. Numbers in square brackets refer to the question number in the 2016 Strategic Human Resources Management (SHRM) Survey.
3. Numbers in square brackets refer to the question number in the 2016 Strategic Human Resources Management (SHRM) Survey.
4. Numbers in square brackets refer to the question number in the 2016 Strategic Human Resources Management (SHRM) Survey.
5. Numbers in square brackets refer to the question number in the 2016 SHRM survey
6. Numbers in square brackets refer to the question number in the 2016 Strategic Human Resources Management (SHRM) Survey.

ANNEX B

OECD methodology for constructing the OURdata Index

This annex provides further information on the process and methodology of the OECD 2017 Open-Useful-Reusable Government Data Index (*OURdata Index*). It also presents in more details the performance of the South East Asian countries regarding the three different pillars of the *OURdata* Index 2017.

The OECD *OURdata* Index 2017 aims to measure government efforts in line with the three main stages of the data value chain. That is, the Index assesses governments' progress towards 1) higher data availability, 2) efficient data accessibility and 3) greater support for data reuse. In measuring these three different elements, the Index considers the availability of different formal requirements (either applicable for all ministries and agencies or just in some agencies), implementation gaps and the presence of oversight mechanisms.

Data used to construct the composite index are from the OECD Open Government Data Survey 3.0. The survey is composed of 80 questions representing 170 data points (with some data points corresponding to sub-questions). The survey was designed to monitor the implementation of the International Open Data Charter (IODC) adopted in October 2015. The IODC corresponds to a comprehensive international instrument that provides a set of principles on open government data (OGD). The IODC adds to the OECD Recommendation for enhanced access and more effective use of Public Sector Information (OECD, 2008b). Additionally, the survey and the composite index are also based on the OECDs expertise in the field of OGD and on a roadmap developed in 2013 (Ubaldi, 2013).

The Index construction follows the guidelines from the OECD/EU Handbook on Constructing Composite Indicators (2008) that are necessary for meaningful construction of composite or synthetic indexes. This approach is particularly useful for addressing the common problems associated with composite indexes and is thus the most effective solution to summarise the discrete, qualitative information on key aspects of OGD.

Thus, four main types of analyses were conducted with the data to ensure the highest standards of indicator reliability and validity (OECD-EU, 2008):

- correlation analysis
- confirmatory Principal-Component Factor analysis
- Cronbach alpha testing (scale reliability coefficient)
- sensitivity testing (Monte Carlo Simulation)

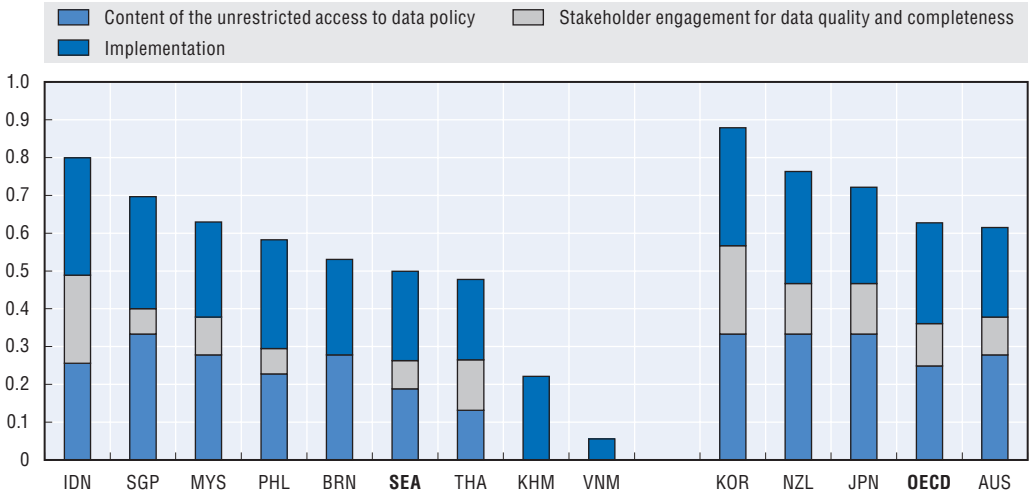
The OURdata Index is based on 140 data points (meaning that a total number of 30 data points were dropped). Each pillar of the Index (data availability, data accessibility, and government support for data reuse) has three sub-pillars. The score for each pillar corresponds to an unweighted simple average of each sub-pillar. For the sub-pillar level, implicit weighting was avoided since three sub-pillars were systematically retained under each main pillar.

Additionally, each sub-pillar has parameters (factors) identified via expert judgement and factor analysis. The score of each sub-pillar is computed as the unweighted simple average of each parameter. There are nine parameters in Pillar 1, eight parameters in Pillar 2 and seven parameters in Pillar 3.

Data collection for Southeast Asian countries was conducted from February 2017 to June 2018. Respondents were high-level government officials (in many cases the national Chief Information Officer). It was completed by all SEA countries except Lao PDR and Myanmar. OECD average is based on 32 OECD countries (data are not available for Hungary, Iceland and Luxembourg). Data refer only to central/federal governments and exclude practices at the state/local levels.

The figures for country scores on the Overall index (OUR data) and Pillar 1 (data availability) are shown under the indicator Open Government Data, whereas the other pillars of the index are provided in B.1 and B.2.

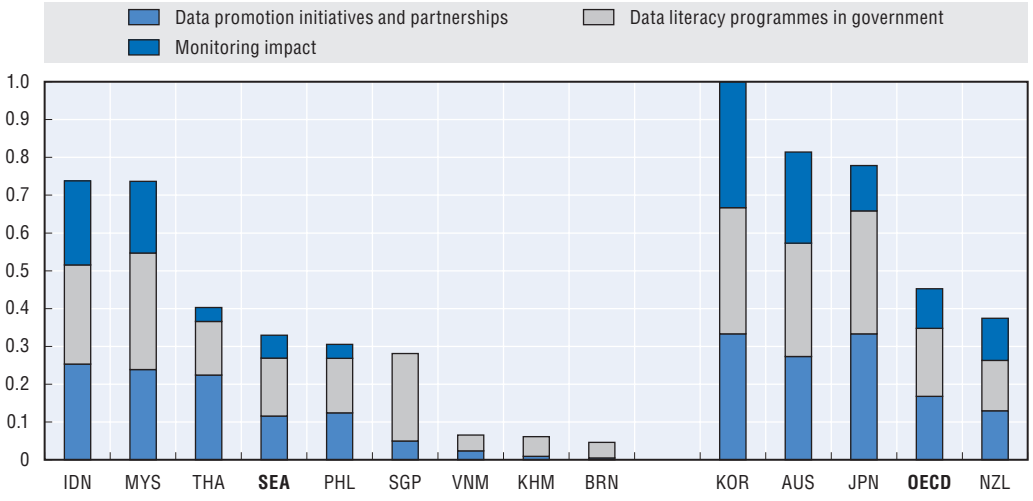
Figure B.1. **OURdata Index: Data accessibility (Pillar 2), 2018**



Source: For SEA countries, OECD (2018) Open Government Data Survey. For OECD countries, OECD (2017) Open Government Data Survey.

StatLink https://doi.org/10.1787/888933841748

Figure B.2. **OURdata Index: Government support for data reuse (Pillar 3), 2018**



Source: For SEA countries, OECD (2018) Open Government Data Survey. For OECD countries, OECD (2017) Open Government Data Survey.

StatLink https://doi.org/10.1787/888933841767

ANNEX C

Contextual factors

This section provides data on administrative and institutional features of each country, including: the regime type; the composition and electoral system of the legislature; the structure of the executive branch; the division of power between one central and several regional or local governments; and key characteristics of the judicial system. It also provides basic data on population and gross domestic product (GDP) for 2018 and data on the number of municipalities, provinces, states and/or regions.

Political and institutional frameworks influence those who formulate and implement policy responses to the challenges faced by governments. For example, the type of electoral system employed has a number of potential consequences on the nature and tenure of government, including the diversity of views represented and the ability of the legislature to create and amend laws. Major differences in legislative institutions can affect the way a country's bureaucratic system works. The extent that power is shared between the legislative and executive branches, exemplified by the system of executive power (parliamentary, presidential or dual executive), the frequency of elections and term limits, the ease of constitutional amendments, and the ability of the judiciary to review the constitutionality of laws and actions, set the constraints within which policies and reforms can be enacted and implemented. The way that governments are structured, including the division of responsibilities vertically (across levels of governments) and horizontally (between departments or ministries), is a key factor underlying the organisational capacity of government. Different structures and responsibilities require different sets of competencies, including oversight, monitoring and evaluation and co-ordination.

While many contextual factors are products of a country's historical development and cannot be easily changed by policy makers, they can be used to identify countries with similar political and administrative structures for comparison and benchmarking purposes. In addition, for countries considering different policies and reforms, the indicators can illustrate structural differences that may affect their passage and implementation.

Methodology and definitions

GDP data are from the IMF World Economic Outlook Database.

Federal states have a constitutionally delineated division of political authority between one central and several regional or state autonomous governments. While unitary states often include multiple levels of government (such as local and provincial or regional), these administrative divisions are not constitutionally defined.

Under the parliamentary form of executive power, the executive is usually the head of the dominant party in the legislature and appoints members of that party or coalition parties to serve as ministers. The executive is accountable to parliament, who can end the executive's term through a vote of no confidence. Several countries with parliamentary systems also have a president, whose powers are predominantly ceremonial in nature. Under the presidential system, the executive and members of the legislature seek election independently of one another. Ministers are not elected members of the

legislature but are nominated by the president and may be approved by the members of the legislature. The dual executive system combines a powerful president with an executive responsible to the legislature, with both responsible for the day-to-day activities of the state. It differs from the presidential system in that the cabinet (although named by the president) is responsible to the legislature, which may force the cabinet to resign through a motion of no confidence.

Data on the frequency of governments cover the period between 1 January 1998 and 31 August 2018. The number of governments is determined by the number of terms served by the head of the executive branch (where a term is either defined by a change in the executive or an election that renewed support for the current government).

A ministry is an organisation in the executive branch that is responsible for a sector of public administration. Common examples include ministries of health, education and finance. While sub-national governments may also be organised into ministries, the data only refer to central government. Ministers advise the executive and are in charge of either one or more ministries, or a portfolio of government duties. In most parliamentary systems, ministers are drawn from the legislature and keep their seats. In most presidential systems, ministers are not elected officials and are appointed by the president. The data refer to the number of ministers that comprise the cabinet at the central level of government and exclude deputy ministers.

Bicameral legislatures have two chambers (usually an upper house and a lower house), whereas unicameral legislatures are composed of only a lower house. Electoral systems are usually characterised as single member (first-past-the-post or Preferential and two-round) or multi member (proportional representation or semi-proportional representation). The types of electoral systems are defined as follows:

Under first-past-the-post, the winner is the candidate with the most votes but not necessarily an absolute majority of votes.

Under preferential and two-round, the winner is the candidate who receives an absolute majority (i.e. over 50%) of votes. If no candidate receives over 50% of votes during the first round of voting, the preferential system makes use of voters' second preferences while the two-round system uses a second round of voting to produce a winner.

Proportional representation (PR) systems allocate parliamentary seats based on a party's share of national votes.

	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam
Population 2016 WB estimate (in millions)	0.423	15.80	261.1	6.8	31.20	52.9	103.30	5.60	68.90	94.60
GDP in 1988 (PPP in USD billion at current prices)	52743	577	2338	1002	5642	No data	2342	18194	3238	811
GDP in 2018 (PPP in USD billion at current prices)	79726	4322	13162	7932	30858	6802	8893	98014	18944	7463
Change in GDP PPP 1988-2018	34%	87%	82%	87%	82%	No data	74%	81%	83%	89%
Member of the OECD	No	No	No	No	No	No	No	No	No	No
State structure	Unitary	Unitary	Unitary	Unitary	Federal	Unitary	Unitary	Unitary	Unitary	Unitary
Number of tiers of government										
State/regional	Not applicable	24	34	Not applicable	13	14	81	Not applicable	76	63
Intermediate	Not applicable	185	Not applicable	16	Not applicable	Not applicable	1594	Not applicable	Not applicable	710
Local	Not applicable	1621	508	Not applicable	149	Not applicable	42028	Not applicable	Not applicable	11145
System of executive power	Constitutional monarchy	Parliamentary constitutional monarchy	Presidential republic	One-party socialist republic	Parliamentary constitutional monarchy	Parliamentary republic	Presidential republic	Parliamentary republic	Constitutional monarchy / Milita-ry-affiliated government since 2014	One-party socialist republic
Head of state	Sultan	Monarch	President	President	Monarch	President	President	President	Monarch	President
Head of government	Sultan	Prime Minister	President	Prime Minister	Prime Minister	State Counsellor	President	Prime Minister	Prime Minister	Prime Minister
Separation of powers	No	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes
Term limit for heads of state (years)	None	None	10	None	5	5	6	6	None	10
Governments at the central level between 1998 and 2018										
Total number of governments	1	5	6	3	5	6	4	5	7	2
Number of Ministers at the central level of government (2018)	13	27	34	23	28	24	20	19	27	27
Number of Ministries or Departments at the central level of government (2018)	13	25	34	16	26	24	20	16	20	22
Upper House (central government)										
Existence	No	Yes	Yes	No	Yes	Yes	Yes	No	No	No
Membership based on regional considerations?	Not applicable	Partially	Yes	Not applicable	Partially	No	No	Not applicable	Not applicable	Not applicable
Frequency of elections or appointments (in years)	Not applicable	6	5	Not applicable	3	5	6	Not applicable	Not applicable	Not applicable
Size - number of seats	Not applicable	62	132	Not applicable	70	224	24	Not applicable	Not applicable	Not applicable

	Brunei Darussalam	Cambodia	Indonesia	Lao PDR	Malaysia	Myanmar	Philippines	Singapore	Thailand	Viet Nam
Lower House (central government)										
Electoral system	Not applicable	Proportional representation	Proportional representation	First-past-the-post	First-past-the-post	330 seats by first-past-the-post; 110 seats appointed by military	238 seats by first-past-the-post; 59 by party-list PR	88 seats by First Past the Post; 9 seats nominated by parliamentary selection committee and the President; 3 non-constituency seats from opposition parties	Junta appointed at time of publication; Elections announced for February 2019	Absolute majority vote with a second round if needed
Frequency of elections (in years)	Appointments by the Sultan	5	5	5	5	5	3	5	5	5
Size - number of seats	33	125	560	149	222	440	297	100	250	500
Judicial system	Mixed legal system: English common law and Islamic law	Mixed legal system: civil law; customary law; Communist legal theory, and common law	Civil law system, influenced by customary law	Civil law system, similar to the French system	Mixed legal system: English common law; Islamic law, and customary law	Mixed legal system: English common law and customary law	Mixed legal system: civil; common; Islamic, and customary law	English common law system	Civil law system with common law influences	Civil law system
Existence of system of judicial review of the constitutionality of laws and actions	Judicial review (dual system of secular and Sharia courts)	Judicial review	Judicial review	Judicial review	Judicial review	Limited judicial review	Judicial review	Judicial review	Judicial review	Limited judicial review

Notes: EIU: Economist Intelligence Unit; PR: proportional representation; WB: World Bank.

OECD PUBLISHING, 2, rue André-Pascal, 75775 PARIS CEDEX 16
(42 2018 40 1P1) ISBN 978-92-64-30590-8 – 2019

Government at a Glance Southeast Asia 2019

Government at a Glance Southeast Asia 2019 is the first edition in the Government at a Glance series for the region. It provides the latest available data on public administrations in the 10 ASEAN member countries: Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam. This publication includes indicators on public finance and economics, public employment, budget practices and procedures, strategic human resources management, digital government, open government and citizen satisfaction with public services. Where possible, these data were compared against the OECD average and that of the neighbouring OECD member countries, such as Australia, Korea, Japan and New Zealand.

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www.oecd.org/publications/government-at-a-glance-southeast-asia-2018-9789264305915-en.htm.

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ISBN 978-92-64-30590-8
42 2018 40 1 P