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Complexity of the Government and Governance in ASEAN

Members: Issues and Challenges

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This article explores the complexities of government and governance among ASEAN member states, focusing on the intersection of diverse political systems, institutional frameworks, and governance practices. ASEAN, a region characterized by its rich cultural and historical diversity, encompasses a spectrum of governance models, from democratic republics to absolute monarchies and socialist states. This heterogeneity poses unique challenges for regional integration, policy harmonization, and collective decision-making. The article systematically analyzes governance issues, including corruption, rule of law, economic management, and civil liberties, drawing on comparative metrics and case studies. It also addresses the challenges of aligning national governance practices with ASEAN's regional objectives, such as fostering ASEAN community integration and addressing transboundary issues like climate change and security. By highlighting disparities in governance performance and institutional capacities, the article underscores the need for innovative approaches to regional collaboration that respect sovereignty while promoting cohesion. This work contributes to the broader discourse on governance in multilateral organizations, offering insights into potential pathways for enhancing institutional effectiveness within ASEAN. The findings aim to support policymakers, scholars, and practitioners in navigating the complexities of governance in Southeast Asia.

Keywords: Governance; Government; Southeast Asia; ASEAN

The ASEAN region, composed of diverse nations, remains a fascinating subject of study from multiple perspectives such as economic, legal, political, social, or others. The evolution of democratic practices within this region is particularly compelling, given the numerous ethnic and heterogeneous communities that coexist and interact. One key area of interest is the examination of government and governance practices among its member states. The concepts of government and governance are often interpreted in varying ways, both theoretically and practically. In Southeast Asia, the process of democratization faces

numerous obstacles, as democracy is often adopted not as a deeply held belief but as a strategy for remaining politically relevant. Common challenges across the region include insufficient participation, underrepresentation of certain groups, widespread corruption, and other issues undermining the effectiveness of democratic practices.

This article draws on three different articles to explore the themes of government and governance within Southeast Asia. The first article, authored by Mark Richard Thompson, is titled "The Dialectic of 'Good Governance' and Democracy in Southeast Asia: Globalized Discourses and Local Responses." The second article, written by Arnakim, L.Y., Karim, M. F., and Mursitama, T. N., is titled "Revisiting ASEAN Legislation and Its Impact on Regional Governance." The third article by Thomas Pepinsky is entitled "Decoupling Governance and Democracy: The Challenge of Authoritarian Development in Southeast Asia."

The first article critiques the weaknesses of reformism and the rise of populism in Southeast Asia and the Pacific, discussing how conflicts of interest continue to hinder good governance. It highlights the tendency of politicians to be elected based on charisma rather than their vision for long-term prosperity. The second article examines ASEAN legislation and its impact on regional governance, noting that despite some ratified agreements, the implementation of these agreements often falters due to a lack of enforcement mechanisms. This is contrasted with the European Union's approach, which possesses stronger authority to ensure compliance among its members. The third article addresses the growing challenge of authoritarianism in Southeast Asia and the Pacific, particularly in light of the economic rise of China and Vietnam, which has influenced democratic practices in the region, with China's soft power diplomacy further complicating the situation.

In contrast to the narrow focus of these previous studies, this article aims to provide a broader perspective on democracy within the context of government and governance in Southeast Asia. While the existing literature often zeroes in on specific issues—such as the economy, social challenges, or law enforcement, this article seeks to examine the entire phenomenon of governance and democracy as interconnected and multifaceted.

This research is significant not only for enhancing our understanding of governance across multiple countries but also for highlighting Southeast Asia's potential as a dynamic region. Comprising diverse nation-states with distinct backgrounds, the region is interconnected through ASEAN. This makes it crucial to assess the effectiveness

of governance within these states, enabling an evaluation of the significance of their governmental roles. A key contribution of this work is its emphasis on the emerging challenges to democracy and good governance in Southeast Asia, particularly influenced by China's increasing influence on the global stage. As Southeast Asia continues to develop rapidly, it also faces declines in various areas. Given the interdependent nature of domestic and international issues, ensuring regional and national stability is crucial for the continued progress of this developing region.

The article titled "Complexity of the Government and Governance in ASEAN Members: Issues and Challenges" is intriguing for several reasons, such as its comprehensive scope. The research suggests a broad yet detailed exploration of both government (structures, institutions, and systems of administration) and governance (practices, decision-making processes, and effectiveness). This dual focus appeals to readers interested in understanding not just the frameworks but also the practical challenges ASEAN countries face. In terms of regional relevance, given ASEAN's geopolitical and economic importance, mapping governance in its member states is a timely and essential task. The focus on this diverse region, with its mixture of political systems, economic statuses, and cultural identities, highlights the complexity and uniqueness of Southeast Asia. Additionally, the focus on issues and challenges implies a critical and problem-oriented approach rather than a purely descriptive one, making it valuable for academics, policymakers, and development practitioners seeking actionable insights.

The implications for regional integration are also significant, as ASEAN's collective goals, such as economic integration, sustainable development, and regional stability, are heavily influenced by governance disparities. The title hints at exploring how these variations impact the region's ambitions, resonating with those interested in the future of regional cooperation. The combination of governance and government appeals to a wide audience, including political scientists, economists, sociologists, and international relations scholars, signaling an interdisciplinary approach to understanding governance in ASEAN. By addressing governance issues and challenges, the title implicitly speaks to the potential for reforms, better policy alignment, and stronger institutional frameworks, which are critical for ASEAN's success on the global stage. This title captures attention by promising a structured yet nuanced examination of governance in a dynamic and diverse region, making it both intellectually and practically significant.

Analysis

To effectively analyze the practice of democracy in governance within Southeast Asia, it is crucial to first distinguish between the concepts of government, governing, and governance. These terms have distinct meanings, both theoretically and practically. "Government" refers to the institutional framework or structure responsible for exercising authority, while "governing" pertains to the control and management exerted by one party over others. "Governance," on the other hand, involves the decision-making processes that reflect societal expectations, particularly through the administration of state functions. The ideal of "good governance" aligns with democratic principles, emphasizing transparency, accountability, and inclusivity.

Good governance is a multi-dimensional concept rooted in political science, public administration, and development studies. According to the UNDP, key theories and frameworks related to good governance include transparency, accountability, participation, rule of law, effectiveness, and efficiency. Transparency ensures that decision-making processes are open and accessible to the public. Accountability involves holding public officials responsible for their actions and decisions. Participation involves engaging stakeholders, including marginalized groups, in decision-making. The rule of law upholds fairness and impartiality through robust legal systems. Effectiveness and efficiency relate to delivering public services and managing resources to meet societal needs without waste. Based on these principles, countries in Southeast Asia should be aware of these basic tenets to create order within their governing processes.

Southeast Asia is a unique and rapidly developing region, with the Association of Southeast Asian Nations (ASEAN) serving as its primary regional organization. Comprising ten member states—Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam—ASEAN fosters cooperation in economic, political, and security matters. The region, home to approximately 650 million people with a combined GDP of \$2.8 trillion, plays a pivotal role in Asian economic integration. ASEAN has been instrumental in creating one of the world's largest free trade blocs, having signed six free trade agreements with other Asian nations (Maizland & Albert, 2020). The main objectives behind the formation of ASEAN were to promote economic growth, ensure regional peace and stability, encourage active participation, and provide mutual support on issues that impact all member states. Additionally, ASEAN aims to sustain robust and mutually beneficial relationships with other regional and international organizations that align with its goals and priorities (Heng, 2020).

Over time, ASEAN has made notable progress in fostering regional economic integration and promoting free trade. In 1992, the ASEAN Free Trade Area (AFTA) was established with the aim of forming a unified market, boosting intra-ASEAN trade and investment, and attracting foreign capital. As a result, intra-ASEAN trade grew from approximately 19% of the bloc's total trade in 1993 to 23% in 2017, with over 90% of products within the region now traded duty-free. The organization has also identified eleven key sectors for integration, including electronics, automotive, rubber products, textiles and apparel, agro-products, and tourism (Heng, 2020).

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Beyond the region, ASEAN's influence and strategic importance are under scrutiny, particularly in relation to territorial disputes in the South China Sea. This remains one of the most complex challenges, with Brunei, Indonesia, Malaysia, the Philippines, and Vietnam all asserting claims over areas contested by China. China's actions, including land reclamation and the construction of artificial islands, are viewed by many as violations of the sovereignty of other claimant states. Consequently, several nations have invested in modernizing their military forces. Furthermore, ASEAN faces increasing pressure as the United States and China vie for dominance in the Asia-Pacific. Southeast Asian countries are increasingly compelled to align themselves with one of the two powers. As the US-China rivalry intensifies, ASEAN finds itself at a strategic crossroads, where failure to navigate the geopolitical tensions effectively could destabilize the entire region. Therefore, it is essential to examine the economic and governance landscape and systems across Southeast Asia.

a. Southeast Asia's Economic and Governance Landscape

Southeast Asia is a diverse region, consisting of countries with varying sizes, levels of development, and political systems. The region's five more advanced nations—Singapore, Malaysia, Indonesia, Thailand, and the Philippines—are generally better equipped with management systems and are further along in the process of liberalization.

In contrast, the transitional economies of Vietnam, Laos, Cambodia, and Myanmar continue to face challenges in public administration and lag in moving toward more open and competitive societies. As a collective, these countries are becoming increasingly influential in the global economy, with their combined impact on global economic activity growing. Southeast Asia is the second-fastest growing region after East Asia, with an average annual growth rate of over 6% in overall GNP and around 4% in GNP per capita. Between 1990 and 1998, the region's performance was nearly three times higher than that of the OECD. Some countries in the region, such as Singapore, Thailand, and Malaysia, have embraced trade liberalization as a path to development, setting global standards in areas like poverty reduction, healthcare, and education.

Southeast Asian nations are also making strategic investments in sectors like information technology, biotechnology, and workforce development to build knowledge-based, interconnected economies. However, concerns regarding financial stability, environmental sustainability, and capital flow remain prevalent, with parts of the region under close scrutiny. Thailand, in particular, was at the center of the 1997 Asian financial crisis, which had global repercussions. As Southeast Asia continues to rely heavily on exports, it remains especially vulnerable to global economic downturns. Most Southeast Asian nations are part of a broader group of middle-income countries that have emerged as key global producers of public goods. These nations play a critical role in addressing market failures related to growth, stability, and governance—issues that have substantial benefits for the global community. To sustain broad-based and inclusive growth and prevent future financial crises, governance reforms in Southeast Asia are essential.

b. Southeast Asia's Governance System

In the context of an organized government, the state has a monopoly on regulation within the nation or country. In public administration and governance, the state is understood as a collection of institutions endowed with the authority to exercise legitimate coercion within a defined territory, known as a nation or country, whose inhabitants are referred to as society. When exercised appropriately, the state's exclusive authority to use coercion enables governments to fulfill their core responsibilities, such as maintaining macroeconomic stability and ensuring equitable resource distribution.

However, this power can also lead to arbitrary governmental actions or offer public officials opportunities for misuse of authority. Such unrestrained interventions can erode the institutions designed to safeguard state power. Therefore, the exercise of constraint is just as critical as the exercise of authority for the effective functioning of the state. Mechanisms of limitation, often referred to as checks and balances, are embedded

within the political structures of all nations. Among the most prominent and fundamental of these mechanisms is the separation of powers. A modern state cannot operate without distinct branches: the legislative, responsible for lawmaking; the executive, which enforces laws; and the judiciary, which interprets them. This division of powers fosters governmental continuity and stability. Veto points play a vital role in regulating the exercise of authority within public administration by ensuring that no policies are adopted or enacted unilaterally. These points require that any proposed policy undergoes scrutiny by a third party before being implemented. The greater the separation of powers, the more veto points must be navigated to amend or overturn any policy decisions.

While veto points serve to prevent hasty decision-making, they can also hinder effective policy implementation, particularly when they impede the revision of outdated or detrimental regulations. Governance among ASEAN (Association of Southeast Asian Nations) member countries varies significantly due to differences in political systems, levels of economic development, cultural contexts, and historical experiences. Comparative analyses of governance across ASEAN's 10 member states reveal differences in their democratic practices. Countries like Indonesia and the Philippines operate as democratic republics with regular elections and active civil societies, whereas Vietnam and Laos are one-party socialist states, and Brunei is an absolute monarchy. Thailand and Myanmar have experienced military influence in governance, alternating between democratic and authoritarian tendencies. Singapore and Malaysia follow parliamentary systems but differ in democratic practices. As we can see, among all ASEAN member countries, they are not similar; each has a different background and government system.

In terms of governance quality or rule of law, Singapore ranks high globally for its rule of law and regulatory efficiency, while Myanmar struggles with rule of law, exacerbated by military coups and conflict. In corruption rankings, countries like Singapore and Brunei perform well in transparency, whereas Cambodia and the Philippines struggle with high levels of corruption. If we look at developmental challenges, Cambodia and Myanmar face issues in poverty alleviation, weak institutions, and governance capacities. Through institutional and regional cooperation, ASEAN promotes regional governance mechanisms like the ASEAN Charter, emphasizing non-interference and consensus decision-making. While these principles have fostered peace and cooperation, they also hinder decisive action on governance issues (e.g., human rights abuses in Myanmar). Key challenges for ASEAN governance relate to bridging governance disparities among members, addressing corruption, enhancing

accountability, and balancing sovereignty with regional cooperation for transnational issues. By understanding these variations, ASEAN can work towards fostering more cohesive governance practices while respecting its members' diversity.

Issues and Challenges

a. Administrative Governance

Southeast Asian governments are relatively modest in scale when compared to OECD nations and other developing countries. The commonly used metric of government size—measured as government expenditure relative to total economic output—provides a narrow perspective, often omitting significant off-budget expenditures. Despite these limitations, Asian economies have shown notable success in managing the size of government, which is a critical aspect of effective governance.

Government consumption, distinct from investment, follows this trend, although the gap between Asia and industrialized nations has been gradually closing. In East and Southeast Asia, government consumption historically accounted for around 10% of GDP, compared to 17% in OECD countries. While narrower in scope—largely comprising the public wage bill—government consumption offers a more precise reflection of the tangible benefits citizens receive from public spending (Heng, 2020).

Cross-regional comparisons reveal how Asian governments have successfully narrowed the consumer welfare gap with highly developed nations while maintaining relatively smaller governmental structures. Southeast Asia, to some extent, exemplifies this achievement, demonstrating effective downsizing without the burdensome challenges faced by industrialized states. Unlike Western economies, which have struggled with decades of unchecked welfare state expansion, Southeast Asia has avoided such complications. Similarly, unlike many developing nations still engaged in post-colonial nation-building, Southeast Asia has largely moved beyond this phase, easing significant governance pressures.

Singapore stands out as a benchmark for efficient governance, achieving unparalleled improvements in per capita GDP and human development with a lean government model. Malaysia, Thailand, and the Philippines have directed substantial public investment towards human development but require further efforts to close the gap with the region's wealth leaders. Meanwhile, countries like Indonesia, Vietnam, Laos, and Cambodia are striving to balance government size, economic growth, and

human welfare. For these nations, expanding government capacity is likely necessary to effectively deliver critical public goods.

The World Bank notes that oversized governments in Southeast Asia often reflect inefficient and costly initiatives that contribute minimally to growth. As economic expansion slows, societal demands for increased public spending intensify, leading to excessive consumer expenditures that function as a de facto tax with limited societal benefits—unless specifically targeted at building social safety nets during economic downturns. However, indiscriminate reductions in consumption risk undermining essential services like teacher salaries or access to healthcare. The challenge of "right-sizing" government becomes even more complex when a vicious cycle of inefficiency and growing demands takes hold.

b. Economic Governance

The creators of the composite measure, Huther and Shah (1999), suggest that "the quality of a government's economic management (may) be measured by performance indicators of fiscal policy (debt-GDP ratio), monetary policy (central bank independence), and trade policy." According to their methodology, a score between 51 and 75 indicates strong economic management, a score between 41 and 50 indicates acceptable management, and a score between 0 and 40 indicates poor management. Consequently, Malaysia, Singapore, and the Philippines are considered well-managed, while Thailand and Indonesia are only marginally managed. There is a strong association between governance quality, where economic management is integrated, and per capita income, but they also argue that the causality works both ways because greater earnings increase the demand for higher-quality management.

Grigorian and Martinez (1999) used a two-stage least squares test to correlate good governance with industrial success in Asian and Latin American nations in a related study. Using institutional quality indices (government contract repudiation, risk of expropriation, corruption, rule of law, and bureaucratic quality) from a dataset assembled by the University of Maryland's IRIS Center, they found that institutional quality has a very strong positive impact on the rate of industrial growth. Their findings also indicate that the more developed the legal and regulatory framework, the stronger the enforcement, and the fewer the administrative obstacles, the larger the amount of investment available in the economy, and the more effective the resource allocation (Grigorian & Martinez, 1999, p. 28).

Southeast Asia's high-performing economies—Singapore, Thailand, Malaysia, and Indonesia, alongside their East Asian counterparts—garnered global acclaim by defying the Kuznetsian inverted-U hypothesis, which posited an inherent trade-off between growth and equity. The Asian experience demonstrated that robust economic management could achieve development that is both market-driven and equitable. This success required bold and innovative policymaking across economic and social domains. Macroeconomic management during the era of globalization introduced new challenges and opportunities, including exposure to volatile capital flows. While this gamble resulted in severe consequences during the Asian financial crisis, it also fueled remarkable pre-crisis growth rates, sometimes exceeding 10% annually.

Crucially, these governments prioritized foundational social investments, particularly in health and education, which underpinned both economic and social resilience. Government strategies that integrated public spending with private-sector involvement in infrastructure development proved transformative. By employing cost-effective approaches, these policies not only attracted substantial investments but also expanded access to essential services for underprivileged populations. Infrastructure improvements in sectors such as power, water, telecommunications, and transportation have had a profound impact on living standards across Southeast Asia. Singapore, Thailand, Malaysia, and the Philippines achieved significant advancements in water and sanitation, with over 80% of their populations—including the poorest—gaining access to improved services. However, Vietnam, Laos, Cambodia, Myanmar, and Indonesia lagged behind in this regard over the same period.

Similarly, access to electricity has become a key focus for regional governments. Malaysia, Thailand, Indonesia, and Singapore have excelled in this domain, while Myanmar surprisingly outperformed the Philippines in some aspects. The region's success stories underscore the importance of a comprehensive approach. These "pacesetter" nations have effectively combined private-sector participation, inclusive service coverage, and efficient regulatory frameworks to lower costs and enhance affordability. This model not only ensures broader access to infrastructure but also sets a blueprint for sustainable development in Southeast Asia.

c. Political Governance

Prior to the Asian financial crisis, the region had a positive reputation for the rule of law. East and Southeast Asian nations saw tremendous wealth, faith in their legal systems improved, and the perceived rule of law strengthened. Even as the region's high-

performing Southeast Asian countries produced record-breaking development rates, signs of regional fragility emerged: judicial independence was seriously weakened, and corruption reached unprecedented levels. Corruption and a weak legal system are likely accomplices in crime, feeding off one another to demolish a country's institutional defenses (Mauro, 2006).

When a country's institutional defenses are weak—such as when courts fail to uphold their role as pillars of the rule of law or when regulatory agencies become hotbeds of corruption—the repercussions for economic governance are profound. Unreliable institutions compel entrepreneurs to adopt one of two strategies: a "hit-and-run" approach, involving speculative, high-return investments that allow for rapid exit at the first sign of trouble; or a "play-it-safe" approach, characterized by conservative, low-return investments requiring minimal capital commitment. Prior to the financial crisis, most Southeast Asian countries experienced both dynamics. Short-term capital inflows often fueled speculative activities, such as real estate investments that created unsustainable asset bubbles, while long-term inflows were disproportionately directed towards commerce and services.

Corruption further exacerbated these issues, diverting resources away from critical sectors like health and education, thereby limiting opportunities for the poor to invest in their own human capital. Thailand was widely lauded for its judicial independence and relatively low levels of corruption, making it an outlier in the region. However, it became emblematic of the perils of overinvestment in non-essential sectors, and its economy was the first in Asia to suffer a dramatic reversal during the crisis. Elsewhere in the region, governance issues presented significant challenges. Vietnam, for instance, continues to grapple with deficiencies in its legal framework, particularly in property rights and due process. The lack of an independent judiciary, inconsistencies in property law that hinder the development of financial markets, and a systemic bias favoring the state sector and communal ownership have all stifled competition.

While policy shifts to move away from a command economy could initiate reforms, they are insufficient to sustain long-term growth without an adequate legal foundation. In countries with strong state traditions, governments could theoretically enforce the rule of law and promote better governance. However, Malaysia exemplifies how state dominance can undermine judicial independence, as seen when the judiciary was subordinated to developmental agendas through presidential decrees. Cambodia, devastated by the Khmer Rouge era, saw its judicial system nearly eradicated. The

resulting legal and regulatory frameworks remain weak, inconsistent, and poorly enforced, exacerbating uncertainty.

Similarly, in Indonesia, efforts to address past corruption—particularly targeting elites who amassed illicit wealth under Suharto's regime—have largely been ineffective, contributing to the nation's persistently low rankings in global indices for rule of law, corruption, and business climate. High levels of public corruption erode the legitimacy of the state and its ability to establish growth-promoting institutions. Corruption reflects a distorted policy environment in which officials manipulate regulations for personal gain. When such misconduct is uncovered, it undermines judicial authority to the extent that courts can no longer pose a credible threat of punishment. This institutional fragility perpetuates a cycle of poor governance and economic instability, further hindering sustainable development.

d. Decentralized Governance

Decentralization refers to the transfer of a significant portion of a central government's political, fiscal, and administrative authority to subnational government entities. Subnational governments are expected to be able to make binding decisions in at least some policy areas if they become independent. In practice, decentralization expands the resources and responsibilities of already existent subnational government organizations. Decentralization is largely believed to increase governance quality. A government closer to its people performs best because it is more aware of local residents' issues. As a result, residents and community organizations can better participate in government matters under a decentralized structure. Proximity improves preference matching for public services. Moving decision-making closer to those affected reduces both information and transaction costs. On the other hand, a centralized approach to economic administration can stifle local growth.

Thus, a decentralized form of administration is as viable in less developed public sector locations like Southeast Asia as it is in sophisticated, highly industrialized settings. Southeast Asian countries implement decentralization in various ways. The path of least resistance is deconcentration, where central governments delegate authority to their own branch or district offices while maintaining the hierarchical link between field and central offices. For example, the Philippines' Department of Health is currently undertaking a hard transition to a more regionalized system. In Indonesia, Malaysia, Thailand, and the Philippines, to varying degrees, privatization is occurring as part of "shedding" duties from overburdened central governments. State-owned enterprises are often the focus of

privatization. Localization, on the other hand, transfers power, duty, and accountability entirely to subnational or local governments elected by citizens.

Localization, from another perspective, transfers power, duty, and accountability entirely to subnational or local governments elected by citizens. Devolution has occurred in the Philippines in the form of transferring public service delivery in health and, to a lesser extent, social welfare and agricultural extension to local governments. Another form, delegation, is not truly decentralized because subnational governments are simply requested to act on behalf of higher ones. Decentralization indicates that local governments should operate as principals rather than as agents of the central government.

Southeast Asian nations, with the exception of Singapore, have chosen multitiered systems with one or two elected subnational administrations. Despite their unitary origins, several have attempted to restructure their frameworks to foster decentralized decision-making because of the higher value placed on uniformity and equal access to public services. A form of federalism is emerging that allows for more freedom of choice, political involvement, innovation, and accountability (Huther & Shah, 1999).

This multitiering is not an exception; each level of subnational government is meant to offer only those services that benefit the jurisdiction's citizens. Subnational governments are given a significant role in resource allocation under such "fiscal federalism." When the benefits of certain services have no significant spillover effects on residents of surrounding jurisdictions, the right quantities and mix of services can cater to local preferences (Aminuddin & Purnomo, 2019). If local residents are dissatisfied with service delivery, they can vote incumbents out of office or relocate to other jurisdictions. Local politics can approximate market efficiency in the distribution of local public services in this regard. However, there's a caveat: in many Southeast Asian nations with authoritarian regimes or constrained land and labor markets, citizens may not be able to engage effectively in the political process or "vote with their feet." Such representation may be further hampered by a lack of competence to run multi-level administrations (Manan, 2014). Recentralization has a negative distributional impact. The decision to consolidate services, administration, and infrastructure, ostensibly to ease management, contends with the hard realities of rugged topography, ethnic diversity, and the necessity for community engagement, all of which support smaller local administrative entities. As a result, there is a lack of government presence in a vast number of settlements.

Each public service should be provided by the level of government that has authority over the region that benefits and pays for it. The individuals who decide how much of a public good should be delivered should be included in the decision-making process. In a similar spirit, the principle of subsidiarity contends that service delivery responsibilities should be delegated to the lowest level of government unless there is a compelling case for doing so at a higher level. Local expenditures must be more closely aligned with local aims and desires to correctly assign responsibility for the delivery of local public goods. It also requires ensuring that accountability is backed up by the authority to generate the funds needed to meet the local government's obligations. This entails giving subnational governments control over expenditure and tax collection (Manan, 2014).

The benefits of decentralization can be undermined by corruption, but it also holds the potential to mitigate both the causes and effects of corruption. In decentralized systems, citizens can reduce opportunities for corruption by gaining insights into government processes and voicing grievances. Additionally, they can opt out of corrupt systems by "voting with their feet" in response to bribery or misconduct. Empirical evidence suggests that corruption is lower in countries with higher levels of decentralized spending. For instance, a one-standard-deviation increase in decentralization correlates with a 40% improvement in a country's corruption rating. Huther and Shah (1999) have demonstrated a negative relationship between fiscal decentralization and corruption. Their analysis, based on a composite score that evaluates judicial efficiency, bureaucratic efficiency, and the absence of corruption, shows a positive and statistically significant correlation between decentralization and better governance metrics, implying that decentralized governments are more responsive to citizen demands and preferences, particularly in the delivery of public services, than their centralized counterparts.

These are the outlines of key issues and challenges related to democracy, government, and governance in ASEAN. First is an overview of democracy, government, and governance in ASEAN. ASEAN members, representing Southeast Asian countries, have diverse political systems, ranging from fully democratic in Indonesia and the Philippines, to semi-authoritarian in Thailand, and authoritarian regimes in Vietnam, Laos, and Myanmar. These different political systems lead to different priorities in decision-making. Governance quality varies significantly, influenced by historical legacies, cultural factors, and levels of economic development. Under ASEAN's institutional framework, this diversity presents challenges for regional consolidation, especially considering ASEAN's principle of non-interference, which

limits direct promotion of democracy among member states, favoring sovereignty and stability. This often hinders collective action on regional problems rooted in domestic governance issues (e.g., Myanmar's political crisis or the haze pollution from Indonesian forest fires). Weak enforcement mechanisms also occur as ASEAN struggles to enforce agreements or hold states accountable, undermining its problem-solving capacity.

Moreover, political and institutional challenges within ASEAN include weak democratic institutions. Some ASEAN states have fragile judicial systems and underdeveloped electoral mechanisms, leading to persistent corruption across the region, which undermines trust in governance. This is often exacerbated by limited public access to information and a lack of government transparency in several ASEAN states, questioning governance, accountability, and the rule of law. This situation shows the unequal application of the law and the potential for political interference in judicial processes. On the other hand, citizen participation in some states is limited due to repressive laws, lack of civil liberties, or controlled media landscapes. Institutional theory argues that governance quality depends on the strength and adaptability of institutions, emphasizing both formal structures like laws and regulations and informal norms such as cultural values and traditions (North D. C. Institutions , 1990).

To evaluate how a government ensures good quality governance for its people, we should consider how they use their authority or legitimacy in various circumstances. For instance, governments acting as legal institutions should make policies based on public needs or be public-oriented. They should be adaptive in assessing how policies work. Governments must strengthen democratic institutions by creating an independent judiciary to ensure courts are free from political interference and uphold the rule of law, conducting free and fair elections, and empowering parliaments to effectively check the executive branch. To increase public trust, governments should promote transparency through open data policies, making government data accessible to the public to enable informed decision-making and reduce corruption. They should also understand the public's diverse viewpoints by reaching out through digital communication for clear, timely, and accurate information about policies, laws, and public spending. Whistleblower protections are crucial to encourage reporting of malpractice by safeguarding those who come forward. By providing public access to information on policy-making or progress, governments should ensure accountability by evaluating public service effectiveness or conducting regular audits of government spending and publishing the results.

Analyzing governance comparisons among ASEAN member countries is crucial for several reasons, particularly given the region's economic, political, and cultural diversity. For example, in terms of regional stability and cooperation, ASEAN operates on a consensus-driven model of decision-making, which requires alignment despite differing governance structures. Understanding these differences helps identify challenges and opportunities for shared goals like regional security, economic integration, and sustainable development. In economic development and trade, governance quality directly impacts economic performance and trade facilitation. Countries with robust governance frameworks—like Singapore and Malaysia—tend to attract more foreign direct investment (FDI) and foster innovation. Analyzing governance can highlight gaps and suggest reforms for less-developed members like Cambodia and Myanmar to enhance regional economic integration.

In terms of human rights and inclusivity, governance differences significantly affect human rights, civil liberties, and inclusivity across the region. Comparing governance helps spotlight issues like political repression, media restrictions, or violations of minority rights (e.g., Myanmar's Rohingya crisis), providing a basis for ASEAN and international stakeholders to engage constructively. This analysis is also significant for policy harmonization; disparities in governance can hinder standardization of policies on critical issues like climate change, cybersecurity, or public health. A comparative analysis can reveal areas needing greater alignment to address transboundary challenges effectively. For policymakers, businesses, and international organizations, understanding governance variations ensures better planning and decision-making. For instance, investors can tailor their strategies based on regulatory environments, and development agencies can prioritize countries needing institutional support. Despite each country's differing backgrounds, this can also strengthen ASEAN's global role. As ASEAN grows in geopolitical importance, its ability to present a cohesive stance depends on mitigating governance-related disparities. Comparative analyses provide insights into fostering collective strength while respecting the region's diversity. By studying governance differences, ASEAN can better balance its principle of non-interference with proactive collaboration, fostering unity amid diversity.

The complexity of government and governance in ASEAN members lies in the interplay of institutional heterogeneity, historical legacies, divergent policy outcomes, and the regional emphasis on sovereignty. Using comparative politics frameworks, one can argue that these factors not only define the governance challenges within ASEAN but also highlight the need for innovative, context-sensitive approaches to strengthen

regional collaboration while respecting diversity. The complexity of government and governance in ASEAN member states can be analyzed through a combination of International Relations theories and relevant governance concepts. This analysis reflects the interplay of domestic political systems, regional dynamics, and global forces. Liberal institutionalism highlights the role of institutions in fostering cooperation and achieving common goals. This perspective argues that institutions like ASEAN can mitigate anarchy in the international system by promoting mutual trust, regularizing interactions, and reducing uncertainty among states.

Key arguments in liberal institutionalism relevant to ASEAN include: **Interdependence and Regional Stability:** ASEAN members benefit from economic and political interdependence, which can decrease conflict likelihood. This is achieved by creating a structure that encourages cooperation on shared goals like economic growth and security while discouraging unilateralism or isolationism. ASEAN's role in establishing norms for peaceful dispute resolution aligns with liberal institutionalism's emphasis on the value of norms and rules. For example, the ASEAN Way promotes non-interference and consensus-building, fostering regional harmony despite the diversity of political systems (Ramli & Idris, 2022). **Adaptability in Governance:** Liberal institutionalists argue that institutions like ASEAN can evolve to address emerging global challenges such as climate change, cybersecurity, and transnational crime. This adaptability is crucial for maintaining relevance and effectiveness (Devitt, 2011). Critics, however, note that ASEAN's informal approach sometimes leads to weak enforcement mechanisms. From a liberal institutionalist perspective, strengthening ASEAN's institutional capacity could enhance governance outcomes by addressing gaps in implementation and accountability.

In conclusion, liberal institutionalism provides a useful lens to analyze ASEAN's governance, highlighting its strengths in fostering cooperation and identifying areas for reform to handle complex regional challenges. For deeper insights into how this theory applies to ASEAN, works by Robert Keohane and analyses in regionalism-focused studies offer rich theoretical grounding. ASEAN institutions like the ASEAN Economic Community (AEC) aim to standardize governance in areas such as trade, investment, and regulatory frameworks. However, the diversity of domestic governance systems presents significant challenges. Countries with robust institutions (e.g., Singapore) are better equipped to meet AEC requirements, while others with weaker governance (e.g., Myanmar, Cambodia) struggle to comply. Liberal institutionalism underscores the need for capacity-building measures within ASEAN to address disparities and foster deeper

integration. Comparative politics frameworks can also be used to analyze this case, focusing on exploring how formal institutions (laws, constitutions, governmental structures) and informal norms shape governance. By analyzing ASEAN members' institutional variations, such as parliamentary systems vs. one-party states, we can determine key policy points.

Based on Douglass North's work on institutions and governance, North highlights their role as the "rules of the game" in shaping political and economic behavior. He distinguishes between formal institutions like constitutions, laws, and regulations, and informal institutions like cultural norms and societal expectations. The key argument is that institutional quality and economic performance are linked, with North arguing that effective governance depends on the alignment of formal and informal institutions. In the ASEAN case, Singapore exemplifies strong institutional alignment, fostering economic growth and efficient governance. In contrast, Cambodia and Myanmar face governance challenges due to weak institutional frameworks, leading to corruption and inefficiency. These institutional variations create a governance landscape that is inherently complex, complicating efforts to develop unified policies and frameworks under ASEAN's consensus-driven model.

Therefore, ASEAN must maintain control and consolidation despite its diverse and complex backgrounds by leveraging unique institutional principles, fostering a culture of consensus, and prioritizing practical cooperation over ideological alignment. Several ways ASEAN achieves this include through "The ASEAN Way," which emphasizes Consensus and Non-Interference. ASEAN's guiding principle, known as the ASEAN Way, emphasizes Consensus-Based Decision-Making. This means that all member states, regardless of size or influence, have an equal say in decisions, ensuring that no member feels marginalized. Additionally, there is the principle of non-interference; ASEAN respects the sovereignty of its members, avoiding intervention in domestic affairs, even in cases of governance challenges. This approach fosters trust and minimizes conflict between nations with varying political systems (e.g., democracies, monarchies, and socialist states). These principles prioritize harmony over enforcement, creating a flexible framework that accommodates diversity. ASEAN adopts pragmatic regionalism, focusing on areas of mutual benefit such as economic integration through the ASEAN Economic Community (AEC), which promotes trade liberalization, market integration, and regulatory convergence despite disparities in economic development among member states. ASEAN also focuses on practical issues like disaster management

(e.g., the ASEAN Coordinating Centre for Humanitarian Assistance), transnational crime, and climate change, where collaboration is critical.

This pragmatic approach allows ASEAN to sidestep contentious issues while building trust and functional interdependence. ASEAN has created mechanisms to manage internal diversity and external pressures. Gradually, ASEAN holds meetings and dialogue partnerships where it engages with global powers (e.g., China, the U.S., and Japan) through frameworks like the ASEAN Regional Forum (ARF) and the East Asia Summit (EAS), ensuring it remains central in regional geopolitics. Therefore, ASEAN has skillfully balanced relationships with global powers, ensuring its members' interests are protected without aligning fully with any bloc. In conclusion, ASEAN's ability to manage its complexity stems from its emphasis on consensus, non-interference, and practical cooperation. While its approach may sometimes result in slow progress or weak enforcement, it is hoped that it will increase the possibility of creating effective solutions for maintaining regional peace and promoting integration in a highly diverse region. However, we cannot hope for too much due to the dynamic political situations within ASEAN and the countries around it.

Conclusion

Southeast Asia's diverse political systems, cultural landscapes, and economic disparities present unique challenges to implementing good governance. However, these challenges also create opportunities for tailored solutions that balance regional diversity with universal governance principles. By focusing on strategic reforms and leveraging regional cooperation, Southeast Asian countries can make significant strides toward achieving good governance. Key measures include strengthening democratic institutions, ensuring the rule of law, and fostering transparency and accountability. Governments must actively engage civil society, empower marginalized communities, and create participatory platforms that enhance citizen involvement. Leveraging technology, particularly through e-governance, can streamline processes, reduce corruption, and increase efficiency.

Regional collaboration, facilitated by ASEAN, should emphasize capacity building, knowledge sharing, and collective responses to cross-border challenges such as corruption, environmental sustainability, and human rights. ASEAN's non-interference principle must evolve to allow constructive dialogue and support for governance reforms without compromising sovereignty. By committing to inclusive, transparent, and

accountable governance, Southeast Asian nations can not only address internal issues but also build a resilient region that fosters equitable development, social cohesion, and trust in public institutions. Through a unified vision and localized strategies, the region can set a global example of adaptive and effective governance.

Southeast Asia's development has been hindered by weak governance and dysfunctional institutions. The region's economic downturn revealed systemic corruption, poor fiscal management, and political instability. While transitional economies in the region managed to avoid the worst of the crisis, structural "distortions" in their economic systems have impeded sustained growth. To promote equitable and resilient development, Southeast Asia must implement fundamental reforms in governance and the public sector. These reforms should focus on enhancing transparency and accountability, making rules and incentives more adaptive, improving the efficiency of institutional frameworks, and fostering coalitions for change to sustain reform momentum.

Southeast Asian countries must prioritize the establishment of robust systems for transparency and accountability, regardless of their stage of development. Central governments need to clearly define their roles, primarily focusing on delivering public goods and managing macroeconomic policy. This entails limiting their involvement to strategic guidance ("steering") while delegating operational responsibilities ("rowing") to other societal actors, such as the private sector and civil society. In practical terms, this approach requires "right-sizing" governments, which can partially be achieved through privatization. Examples of such efforts include accelerated privatization in Indonesia and reforms in Vietnam's state-owned enterprises, both supported by international donors.

By scaling back direct provisioning functions and fostering market-driven solutions, Southeast Asian governments can enhance public-sector efficiency, alleviate fiscal pressures, and increase accountability. However, downsizing must be approached with caution. Countries like Thailand and the Philippines may need to expand their public sectors in the short term to address pressing developmental gaps before stabilizing at a more optimal size. Achieving the right balance between government size, economic growth, and societal welfare is critical for sustainable development in the region. But despite ASEAN's efforts to create consolidation through many discussions and international meetings with various countries' affiliates, it still needs further evaluation in responding to critics who argue that the ASEAN Community's effectiveness is limited due to its structural and political complexities, making it unreliable as a mechanism for resolving significant regional issues.

Several key arguments highlight why ASEAN's structural complexities hinder its dependability. First, ASEAN comprises a range of political systems, Second, ASEAN institutions lack enforcement mechanisms, as agreements are non-binding. And third, the ASEAN Way has double standards regarding the principles of consensus and non-interference, which often hinders solving both internal and regional problems. Therefore, ASEAN may struggle to achieve rapid consolidation through its ASEAN Community initiative. While the ASEAN Community initiative has ambitious goals, scientific analyses of political, economic, cultural, and institutional factors suggest that rapid consolidation is unlikely. The organization may achieve gradual progress, but its structural limitations and internal diversity make fast integration a formidable challenge.

Suggestions

ASEAN, as an organization of countries in Southeast Asia, must have a forum that plays an active role in relation to existing conditions, especially with changes occurring in many sectors of ASEAN member countries. Here are several suggestions:

- a) **Comparative Analysis of Governance Models:** Examine the diversity of governance systems across ASEAN members, including democracies, hybrid regimes, and authoritarian states. Highlight the strengths and weaknesses of each model in addressing governance challenges.
- b) **Focus on Regional Challenges:** Analyze cross-cutting issues such as corruption, inequality, weak institutions, and human rights concerns. Provide case studies from specific ASEAN countries to illustrate common governance challenges and unique national contexts.
- c) **Evaluate the Role of ASEAN:** Assess how ASEAN's principles of non-interference and consensus-based decision-making influence governance within member states. Explore opportunities for ASEAN to play a more active role in promoting good governance while respecting state sovereignty.
- d) **Highlight the Impact of Globalization and Technology:** Discuss how global economic trends and technological advancements (e.g., e-governance, digital platforms) shape governance reforms in ASEAN countries. Address risks like digital authoritarianism and cyber threats while promoting digital inclusion.

- e) Propose Pathways for Reform: Suggest practical steps for improving governance, such as institutional reforms, anti-corruption measures, and capacity building. Emphasize the importance of participatory governance, citizen engagement, and decentralization.

By incorporating these suggestions, the paper can offer a comprehensive understanding of the issues and challenges in governance across ASEAN while providing actionable recommendations for improvement.

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