

Chapter 3

CLMV DEVELOPMENT ASSISTANCE PROGRAMMES: BACKGROUND, APPROACHES, CONCERNS

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ABSTRACT

Cambodia, Laos, Myanmar, and Vietnam joined the Association of Southeast Asian Nations (ASEAN) just as economic integration was accelerating. Concerns about the development gap hindering integration led to the launching of the Initiative for ASEAN Integration (IAI) Work Plan. The results of a case study of a Work Plan project focusing on implementation aspects, however, raises concerns about whether Work Plan objectives are being realized because of effectiveness issues. This paper concludes by recommending some implementation measures, widening the scope of the Work Plan, incorporating the programme into other existing development assistance frameworks, as well as expanding it into a wider regional initiative for East Asian integration.

1. INTRODUCTION

Rising regionalism in the other parts of the world as well as increasing competition from the regional giants China and India spurred ASEAN efforts at economic integration in the early 1990s. These integration efforts accelerated especially after the admission to ASEAN of the CLMV countries, namely Cambodia, Laos, Myanmar, and Vietnam. For ASEAN economic integration to proceed smoothly and effectively, however, there is a need to narrow the existing development gap between the older ASEAN-6 and the newer members.

The six-year IAI Work Plan was formulated and launched in 2002 with 48 projects to specifically target the development gap. The IAI Work Plan's programmes, activities

and projects are directed at strengthening the CLMV countries' capacity, capability and resolve to meet the challenges ahead. Various issues and problems with the Work Plan were documented in the Mid-Term Review report where several recommendations were made.

This paper looks at some implementation, evaluation, and assessment aspects of a specific Work Plan project and then infers from the evidence gathered whether the aims of the IAI Work Plan are being met. It starts with a very short background introduction to the formation of ASEAN in Section 2. Section 3 describes ASEAN economic cooperation and integration, while the all-important issue of the development gap between ASEAN-6 and the newer members is described in Section 4. Section 5 looks at international initiatives to assist the CLMV countries, and Section 6 talks about what the IAI Work Plan is all about. A case study focusing on the implementation and evaluation aspects of a Work Plan project is discussed in Section 7. Section 8 concludes with recommendations.

2. FORMATION OF ASEAN

On August 8, 1967, five Southeast Asian countries comprising of Indonesia, Malaysia, the Philippines, Singapore, and Thailand formed the Association of Southeast Asian Nations. This was mainly a response to the then fluid regional political situation, though one of the aims of the association was to function as a regional association for economic, social, and cultural cooperation.

The founding of ASEAN was quite an achievement, considering the still tense regional political dynamics. There was the still recent 1963 military standoff between

Indonesia and Malaysia over the formation of Malaysia. There was also the failed merger attempt between Malaysia and Singapore, both countries going their separate ways in 1965 because of distrust and ideological differences. Add to the list of regional problems the Philippines' claim on Sabah, then already a part of Malaysia.

The document upon which ASEAN was founded—the “Bangkok Declaration”—was just a simple declaration of intent. It was signed as a display of solidarity against communist expansionism and insurgencies, i.e., the “common problems among countries of Southeast Asia,” as well as to also emphasize the grouping’s determination “to ensure their stability and security from external interference in any form or manifestation.”¹

The comments by former Indonesian Foreign Minister Ali Alatas that “the truth is that politics attended ASEAN at its birth” and that “it was the convergence in political outlook among the five original Members, their shared convictions on national priority objectives and on how best to secure these objectives in the evolving strategic environment of East Asia, which impelled them to form ASEAN ” very nicely sums up the situation prevailing then.²

ASEAN spent its early years “fostering an atmosphere of trust and goodwill in which the Member Countries developed a habit of working together in informality and candor.”³ Building on the principles advocated in the founding document, the Declaration on Zone of Peace, Freedom, and Neutrality (November 1971) declared that the five founding nations “are determined to exert initially necessary efforts to secure

¹ ASEAN Secretariat. “*The Bangkok Declaration, 1967.*” <<http://www.aseansec.org/1212.htm>>

² ASEAN Secretariat. “*Political Achievement.*” <<http://www.aseansec.org/11833.htm>>

³ *ibid.*

the recognition of, and respect for, South East Asia as a Zone of Peace, Freedom and Neutrality, free from any form or manner of interference by outside Powers.”⁴

In 1976, the ASEAN Secretariat was established to improve coordination among ASEAN members. In the same year, the grouping’s first formal agreement, the Treaty of Amity and Cooperation, which enshrined one of ASEAN’s fundamental principles—that of non-interference—was signed.

Brunei joined ASEAN immediately upon achieving its independence from the United Kingdom in 1984. Vietnam was admitted in 1995, even though it was still under a communist system. Laos and Myanmar followed in 1997, and Cambodia in 1999.

ASEAN thus sought to stabilize the region politically in its early days. The grouping may have started out as a geo-political organization, set up in response to the fluid regional political situation at that time, but group dynamics veered towards economic cooperation during the 1970s, and later towards economic integration, especially from the 1990s onwards.

3. ECONOMIC COOPERATION AND INTEGRATION

At the Fourth ASEAN Ministerial Meeting in March 1971, suggestions of ASEAN economic integration by the Philippines’ then-president Marcos was largely ignored.⁵

Five years later, at the First ASEAN Summit in Bali in February 1976, economic cooperation, not economic integration, moved onto the ASEAN agenda. The

⁴ ASEAN Secretariat. “*Zone of Peace, Freedom and Neutrality Declaration, November 1971.*”
<<http://www.aseansec.org/3629.htm>>

⁵ Severino, R.C. (2006) *Southeast Asia in Search of an ASEAN Community*. Institute of Southeast Asian Studies, Singapore, p.221.

Declaration of ASEAN Concord, which called for economic cooperative action by member states “in their national and regional development programmes, utilizing as far as possible the resources available in the ASEAN region to broaden the complementarity of their respective economies,” was thus made in the hope that regional cooperation in large-scale industries in critical sectors could spur economic development via industrialization.⁶

The motivation for the ASEAN Preferential Trade Agreement of 1977 was again merely that of regional economic cooperation. It was to ensure that there were ready markets for the products of the ASEAN Industrial Projects as well as those of the Industrial Complementation Schemes, and the hope was that preferential trading arrangements “will act as a stimulus to the strengthening of national and ASEAN economic resilience and the development of the national economics of the Member States by expanding investment and production opportunities, trade, and foreign exchange earnings.”⁷

It was globalization and growing economic regionalism elsewhere that forced ASEAN to take another look at its economic agenda. The member countries had realized that they needed “to coalesce to be competitive in today’s world—to enlarge their markets, attract investments, cut costs, increase efficiency, improve productivity and thus generate jobs and raise people’s incomes.”⁸ At the Fourth ASEAN Summit in 1992, member countries agreed to create the ASEAN Free Trade Area (AFTA), a step

⁶ ASEAN Secretariat. “*Declaration of ASEAN Concord, February 1976.*”
<<http://www.aseansec.org/1216.htm>>

⁷ ASEAN Secretariat. “*Agreement On ASEAN Preferential Trading Arrangements Manila, 24 February 1977.*” <<http://www.aseansec.org/2348.htm>>

⁸ ASEAN Secretariat. “*Economic Integration.*” <<http://www.aseansec.org/13635.htm>>

toward regional economic integration, in which tariff and non-tariff barriers to trade among the members would be reduced and eventually abolished.

However, ASEAN regional free trade alone was (and is) seen as inadequate for the regional grouping to be able to tap effectively into unprecedented opportunities as well as cope with challenges being unleashed by globalization, especially with the rise of China and India. In December 1997, ASEAN leaders resolved to build an economic community to increase the region's economic potential. This resolution was followed through when the ASEAN leaders agreed during the Ninth ASEAN Summit in October 2003 in Bali to establish an ASEAN Economic Community by 2020, the end-goal of regional economic integration.

4. THE DEVELOPMENT GAP

The CLMV countries started becoming members of ASEAN from the mid-1990s onwards, just about when ASEAN economic integration was accelerating. Before the admission of the CLMV countries into ASEAN, there had already existed economic disparities within and between the six older members. Economic disparity, perceived to be a hindrance to economic integration, grew larger within the enlarged grouping with the admission of the CLMV countries, raising concerns about difficulties arising out of a two-tiered ASEAN.

There are fears that the grouping may become irrelevant in the global economy if effective economic integration cannot take place because of the regional economic divide. The CLMV countries have also realized that they must progressively and steadily integrate their economies with those of the older members if they do not want

to be left behind. Time is of the essence because the development divide may widen, making worse an already bad situation when the benefits arising out of globalization become even more unevenly distributed among the members of the grouping, and therefore making it more difficult for ASEAN members to move and advance together.

As such, ASEAN has resolved to assist its less developed newer members to achieve their economic potential, with a view to ensuring effective economic integration. This will in turn better equip ASEAN to face the increasingly stiff economic headwinds of global competition. In the process, the less developed members will also be able to reap the benefits of ASEAN's economic integration process more equally as compared to the more developed members, and therefore ensure that prosperity is shared among the grouping's more than 550 million inhabitants.⁹

The UNDP Human Development Index (HDI) measures and compares each country's average achievements in basic human development, and can be used to get a good feel of the development gap between ASEAN member countries. Based on three component sub-indices, namely life expectancy, education, and GDP, the HDI value of a country, which ranges from 0 to 1, shows the distance the country has to travel to reach the maximum possible value of 1.

The latest HDI rankings (UNDP: Human Development Report 2007/2008) put Singapore, Brunei, and Malaysia in the "high human development" category while the rest falls under "medium human development." ASEAN member countries falling within the "medium human development" category can be further roughly subdivided

⁹ ASEAN Secretariat. Remarks by H.E. Ong Keng Yong, Secretary-General of ASEAN at the Opening Ceremony of the Regional Workshop on "*Bridging Development Gaps in ASEAN: Key Challenges Towards the Realization of ASEAN Community*," Lao PDR, February 2007.

<<http://www.aseansec.org/20599.htm>>

into “upper,” and “lower.” Thus, based on the latest HDI rankings, ASEAN is actually a three-tiered regional grouping, rather than two-tiered.

Between 1995 and 2005, Vietnam’s stellar economic performance saw it surpassing Indonesia in the HDI rankings. It managed to improve its HDI reading from 0.661 to 0.733, an increase of 0.072 (see Table 1). If we assume that Cambodia, Myanmar, and Laos, are able to improve their HDI readings by 0.072 between the years 2005-2015, i.e. similar to Vietnam’s achievement between the years 1995-2005, and then also assume (unreasonably) that the HDI readings of the rest of the ASEAN countries remain stagnant at the levels achieved in 2005, these three countries will still not be able to catch up with the rest, not even with Vietnam.

Table 1: Human Development Index Trends.

HDI Rank (2005)	Country	HDI Values				
		1985	1990	1995	2000	2005
25	Singapore	0.786	0.823	0.862	..	0.922
30	Brunei	..	..	..	..	0.894
63	Malaysia	0.696	0.723	0.761	0.791	0.811
78	Thailand	0.680	0.717	0.751	0.775	0.781
90	Philippines	0.695	0.722	0.738	0.759	0.771
105	Vietnam	..	0.618	0.661	0.696	0.733
107	Indonesia	0.585	0.626	0.665	0.682	0.728
130	Laos	0.425	0.451	0.488	0.523	0.601
131	Cambodia	..	..	0.536	0.545	0.598
132	Myanmar	..	..	..	..	0.583

Source: UNDP, Human Development Report – 2007/2008.

The improvements expected to be achieved over the years up to 2015 by the less developed ASEAN countries, namely Cambodia, Myanmar, and Laos, seemed not enough to enable them to catch up with the more developed ones, notwithstanding the existence of many international development assistance programmes since the early

1990s, including ASEAN initiatives, to assist Mekong-delta countries. Even worse, given the possibility that benefits from globalization may become even more unevenly distributed among the disparate members of the grouping, ASEAN faces the grim prospect of a widening development gap in the three-tiered grouping.

The next section touches on three examples of development assistance initiatives that were put in place prior to the Asian Financial Crisis of 1997-1998 to assist CLMV countries.

5. CLMV-FOCUSED COOPERATION AND ASSISTANCE

With the end of the Cold War hostilities and the Cambodian civil war, as well as the launching of free market reforms in the CLMV countries in the late 1980s, the Mekong region countries started becoming the focus of international attention from the early 1990s onwards. There were, and still are, various international forums and cooperative efforts, using a variety of approaches, promoting economic development in the region.

Pre-Asian Financial Crisis (1997-1998) international initiatives include, among many others, the following:

1. The ADB-sponsored GMS Economic Cooperation Programme

Since 1992, the countries of the Greater Mekong Subregion (GMS), i.e., Cambodia, Laos, Myanmar, Vietnam, Thailand, and the Yunnan Province of the People's Republic of China, had, with the support of international organizations, embarked on a programme of economic cooperation. The programme has so far managed to achieve results that are more tangible and carried more impact on regional cooperation. High priority subregional development projects include projects in

transport, energy, telecommunications, environment, human resource development, tourism, trade, and agriculture. With the ADB taking an active role in facilitating greater private sector involvement, the private sector has become a significant player in the GMS programme.

2. Working Group on Economic Cooperation in Cambodia, Laos, and Myanmar

Formerly known as the Working Group on Economic Cooperation in Indochina and Myanmar, it was established in September 1994 under the umbrella of the ASEAN and Japanese economic ministers meeting (AEM-MITI). It targeted countries that were not regular ASEAN members—Laos, Cambodia, and Myanmar (and initially, Vietnam). The aims of the Working Group were “not only to promote the economic development of Cambodia, Laos, and Myanmar but also to promote economic growth of the Southeast Asian region as a whole by strengthening the economic linkages between these countries and the ASEAN countries.”¹⁰

3. ASEAN Mekong Basin Development Cooperation (AMBDC)

Initiated by ASEAN, AMBDC’s first ministerial meeting in 1996 was attended by 10 Southeast Asian countries and China. The objectives were: (i) to enhance economically sound and sustainable development of the Mekong Basin; (ii) to encourage a process of dialogue and common project identification which can result in firm economic partnerships for mutual benefit; and (iii) to strengthen the

¹⁰ ASEAN Secretariat. “*Policy Recommendation of the AEM-MITI’s Working Group on Economic Cooperation in Cambodia, Laos, and Myanmar, Phnom Penh, August 1996.*”

<<http://www.aseansec.org/7954.htm>>

interconnections and economic linkages between the ASEAN member countries and the Mekong riparian countries.¹¹

Efforts by ASEAN to help tackle development issues and challenges in the Mekong region were shelved temporarily during the 1997-1998 Asian Financial Crisis when the grouping's members had to focus on their own economic problems. But as Asia recovered from the Asian Financial Crisis, Mekong development moved back onto ASEAN's radar screen.

The admission of the CLMV countries into ASEAN against the backdrop of a rapidly changing socioeconomic global landscape heightened the sense of urgency within the grouping to take steps to ensure that the grouping can meet the challenges ahead. In the light of these developments, correcting the so-called "ASEAN divide" became a high priority. The development gap became an even more important issue when ASEAN leaders agreed to build an ASEAN Economic Community by 2020. To help the region counter fierce competition from rising economic giants China and India, ASEAN leaders later agreed to speed up the target date by five years to 2015.

There was a greater commitment toward assisting the CLMV countries to ensure that no one gets left behind, as solidarity would be affected if the divide were not filled. To help hasten the economic development of the CLMV countries and narrow the development gap between the newer members and the more developed ASEAN-6, ASEAN leaders agreed in November 2000 to launch the Initiative for ASEAN Integration (IAI).¹²

¹¹ ASEAN Secretariat. *"Basic Framework of ASEAN- Mekong Basin Development Cooperation, Kuala Lumpur, June 1996."* <<http://www.aseansec.org/2474.htm>>

¹² Besides the usual technical and development cooperation programmes, another major component of ASEAN-6 assistance is the Special and Differential Treatment (SDT) notified in ASEAN agreements.

In the meantime, AMBDC resumed its activities when it held its second ministerial meeting in 2000. At its third ministerial meeting in October 2001, it was agreed that Japan and South Korea would be taken in as additional members. Projects related to infrastructure, trade and investment, agriculture, forestry and minerals, industry, tourism, HRD, and science and technology have been implemented or are ongoing but financing problems hindered progress.

At the Eighth Ministerial Meeting of the AMBDC in August 2006, it was agreed to recommend that the AMBDC Ministerial Meeting be placed under the ASEAN Economic Ministers Meeting process at the 12th ASEAN Summit in December of the same year. The rationale given for the recommendation was that it would be easier to synchronize the economic integration activities, and hence make maximum use of resources available.¹³

6. THE INITIATIVE FOR ASEAN INTEGRATION (IAI)

Integrating the transitional economies of the CLMV countries with those of the older ASEAN members will be one of the regional grouping's greatest challenges. To give direction to and to sharpen the focus of ASEAN's collective efforts to narrow the development gap between its older and newer members and ultimately enhance the grouping's competitiveness, ASEAN leaders agreed in November 2000 to launch the

SDT allows the CLMV countries a longer period of implementation of liberalization policies or easier access to the markets of the ASEAN-6.

¹³ ASEAN Secretariat. *“Joint Media Statement at The Eighth Ministerial Meeting of the ASEAN-Mekong Basin Development Cooperation (AMBDC), Aug. 2006, Kuala Lumpur.”*

<<http://www.aseansec.org/18845.htm>>

Initiative for ASEAN Integration (IAI) programme.¹⁴ A six-year IAI Work Plan (July 2002–June 2008) was formulated and launched in August 2002 at the IAI Development Cooperation Forum in Jakarta.

The IAI Work Plan's programmes, activities, and projects are directed at strengthening the CLMV countries' capacity, capability, and resolve to meet the challenges ahead. It will also prepare them to face global competition. Growth in productive capacities in the CLMV countries is being hindered by weak human resource capabilities as well as weak or absent policies, institutional, and legal frameworks. These factors also hinder the effective optimum use of foreign aid. ASEAN-6 contributes toward the IAI Work Plan by providing training, technical experts and equipment, among others.

Eleven Dialogue Partner countries and international development agencies have also supported the Work Plan projects by providing funding assistance. For example, Japan, under the ASEAN-Japan Plan of Action, will strengthen support for the realization of the IAI Work Plan and other regional and subregional endeavors to narrow the development gaps in ASEAN.¹⁵

The objectives of the IAI Work Plan are to:

1. Facilitate the development of policy, institutional, and regulatory frameworks; and,
2. Strengthening the capacity of the CLMV countries to:
 - Reduce poverty and increase standard of living; and
 - Improve civil service for global competition.

¹⁴ Under the Vientiane Action Plan, the IAI was broadened to include development efforts to narrow development gaps between sub-regions within ASEAN-6 itself. This paper focuses only on aspects of the development efforts associated with CLMV countries.

¹⁵ ASEAN Secretariat. "*The ASEAN-Japan Plan of Action.*" <<http://www.aseansec.org/15502.htm>>

The four priority areas of the current IAI Work Plan are: i) infrastructure development; ii) human resource development; iii) information and communication technology; and, iv) the promotion of regional economic integration. Three new focus areas were added after a Mid-Term Review of the IAI Work Plan, which was completed in November 2005. The Mid-Term Review recommended the broadening of the scope of the Work Plan to include tourism, poverty and quality of life, and projects of general coverage.¹⁶

The Report on the Mid-Term Review of the IAI Work Plan also pointed out issues of concern such as: i) weak inter-agency coordination, reporting mechanisms, implementation and follow-through actions; ii) the need to strengthen the ownership of the IAI projects by the CLMV countries; and iii) the level of coherence of the training programmes and duration of training courses, and unsatisfactory level of English proficiency among some instructors and trainees.

The following section focuses mainly on aspects associated with the implementation of IAI Work Plan projects and raises questions about project effectiveness.

7. CASE STUDY OF AN IAI WORK PLAN PROJECT

The table below lists a sample of completed IAI Work Plan projects:¹⁷

¹⁶ ASEAN Secretariat. “*Report on the Mid Term Review of the Initiative for ASEAN Integration (IAI) Work Plan.*” <<http://www.aseansec.org/18201.htm>>

¹⁷ ASEAN Secretariat. “*Status Update on Progress of IAI Work Plan as of 1 September 2006.*” <www.aseansec.org/iai_update.doc>

Table 2: Sample of Completed IAI Work Plan Projects.

No.	Component	Projects	Donors
1	HRD-Public Sector Capacity Building	<u>Project by Brunei</u> – Executive Development Programme for CLMV Senior Government Officers (27 Feb – 23 April 2006, 16 participants)	Brunei Darussalam
2	Regional Economic Integration -Customs	<u>Project by Malaysia</u> – Senior Level Customs Officer Study Tour to Malaysia - Customized for CLMV Customs Administrators (19 Sep - 1 Oct 2005, 20 Participants)	Malaysia
3	Infrastructure-Transport	<u>Project by Indonesia – TRN/02/009</u> – Railways Training for CLMV Countries. (Consists of 5 training courses, 16 participants for each component. Component 1 and 2: 3-24 May 2004, Component 3 and 4: 7-28 March 2005, Component 5 will be held on 4-22 April 2005)	Indonesia & Japan-ASEAN General Exchange Fund (JAGEF)
4	HRD-Labour & Employment	<u>Project by Singapore – SCD/LAB/03/013/IAI</u> –Training programme on Curriculum Development for Technical Vocational Education and Training (Cambodia: 6-22 July 2004, Laos: 23 June - 3 July 2003, Myanmar: 11-27 May 2004, Viet Nam: 8-24 June 2004)	Singapore
5	ICT	<u>Project by Thailand – ETF/EAS/04/004/IAI</u> – Joint IAI Project on e-ASEAN: ASEAN e-Commerce Programme (17-21 Nov 2003)	Thailand
6	HRD-Labour & Employment	<u>Project by Philippines</u> – Capacity Building Training Programmes on Technical Vocational Education and Training for CLMV Countries (Activity 1 was held in Ho Chi Minh City, 2-20 Aug 2004 with 15 participants from CLMV: 4 from Cambodia, 4 from Laos, 4 from Myanmar, and 3 from Viet Nam. Activity 2 was held in Manila on 18-29 October 2004 for 16 participants).	Philippines & ASEAN Foundation (Japan-ASEAN Solidarity Fund)

Source: Status Update on Progress of IAI Work Plan as of 1 Sept. 2006.

7.1 Workshop for Training the Trainers on e-Commerce

This workshop, which comes under the ASEAN e-Commerce Programme, was implemented in November 2003.¹⁸ The objectives of the workshop were to:

1. provide a broader understanding of e-Commerce and the emerging cyberspace market, as well as develop and manage an e-Commerce curriculum in the context of company, industry, and unlimited cyberspace;
2. develop managerial skills for running an effective e-Commerce and/or research-based e-commerce curriculum; and,
3. provide an understanding of e-commerce strategic direction for building cyber-based e-Commerce future applications and research for both academics and practitioners in the future.

The instruction methods included lectures, case studies, and on-line assignments. A student manual and a CD ROM developed in-house by the implementing agency (i.e., training agency) supplemented the college-level US textbook “Managing Information Technology in the E-Business Enterprise” used in the course.¹⁹

The workshop had two sessions a day, each running for two hours and 45 minutes. The first three days of the workshop covered 14 chapters of the textbook, while lectures on the fourth day covered the following two topics: “Evaluate e-Commerce Curriculum” and “Develop e-Commerce Research Guideline and Future Direction.”

¹⁸ Ministry of Commerce, Thailand. “*Completion Report on IAI Work Plan Project: ASEAN e-Commerce Programme – Workshop for Training the Trainers on e-Commerce.*”
< <http://thairegistration.com/thai/e-commerce/pdf/Completion%20Report.pdf>>

¹⁹ O’Brien, J.A. 2002. *Management information systems: managing information technology in the e-business enterprise* (5th Edition). McGraw-Hill: USA.

The morning of the last day of the workshop was spent on a field trip. The daily schedule of the 5-day workshop can be found in the Appendix.²⁰

7.2 Implementation, evaluation, and impact assessment

7.2.1 Definition of capacity building or development

According to the UNDP, “capacity is the ability of individuals, institutions, and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner”...and...“capacity development is thereby the process through which individuals, organisations, and societies obtain, strengthen, and maintain the capabilities to set and achieve their own development objectives over time.”²¹

Based on the above definitions and in the context of IAI Work Plan projects, capacity building or development programmes should target both human and institutional capacities, as well as build both analytical and decision-making skills for sustainability purposes.

7.2.2 Concerns

A glance at the daily schedule of the one-week workshop is enough for one to conclude that the workshop was ineffectively run. Participants’ comments like “need more time to cover all material presented in the curriculum,” and, “time for this course is too short,” confirmed this.

Other concerns include the following:

²⁰ The daily schedule appearing in the Appendix has been edited slightly for typographical errors, and to ensure brevity and conciseness.

²¹ UNDP. “*Capacity Development*.” <<http://www.capacity.undp.org/>>

1. Evaluations on course content, effectiveness of lecturers, site visits, and staff ratings ranged from “good” to “great.” However, the evaluation exercises did not provide indicators that could give an insight into whether workshop objectives were met.²² The following evaluation aspects were left out: i) Learning, which measures knowledge acquired, skills improved, or attitudes changed; ii) Behaviour, which measures whether what is learnt is actually put into practice at work; and, iii) Results, which looks at whether the training had any effect at the level of the organization.²³
2. The activities in this workshop basically remained at an awareness-raising level only, even though building analytical and decision-making skills had been part of the project’s objectives. This is an important issue because analytical and decision-making capacities are necessary to ensure sustainability of organizational change. Without these capacities, the hoped-for change is unlikely to take place.
3. The workshop was a one-day event and not part of any long-term programme. Neither was there any follow-through action. To be effective, the programme should include a series of workshops that reflect the priorities of each of the participants’ countries.

²² The results of these first level evaluation exercises may not be that valuable for the following reasons:

i) an exciting but irrelevant workshop could be rated higher than a less exciting but better constructed and relevant one; ii) the responses might have reflected trainees’ interactions with the trainer, not value of the workshop; and iii) the responses were probably superficial because there were no open questions.

²³ According to the IAI Work Unit in the ASEAN Secretariat, in a reply to emailed inquiries, “post evaluation forms and questionnaires are sometimes sent to the participants at their work address at a given interval”. Malaysian project implementers interviewed for this paper say that they have not yet conducted post evaluations of any sort. For details on the important levels of training evaluation, see Kirkpatrick, Donald L. (1994) *Evaluating Training Programs. The Four Levels*. Berrett-Koehler Publishers, USA.

4. Building human capacities alone does not ensure that the process of organizational change is sustainable. Institutional capacities also need to be developed. Though the workshop implicitly had this as one of its objectives, there lacks follow-up activity to ensure that the project will lead to institutional capacity building.
5. Though ICT courses under the IAI Work Plan are being run by both Brunei and Malaysia, there were participants coming from both these countries. This raises the question of whether the right participants from the right countries were targeted.
6. The very intensive workshop lectures were based on a US college-level textbook "*Management Information Systems: Managing Information Technology in the E-Business Enterprise*" by James A. O'Brien. Judging from the intensive schedule of the workshop, it is doubtful that the participants were able to follow and benefit from the lectures.

Interviews with Malaysian project implementing agencies running IAI Work Plan projects in Malaysia confirmed that:

1. No training needs analyses were conducted. As such, there was no way for them to identify problems or other issues in the workplace. Training needs analysis is necessary to specifically define the gap between current and desired individual and organizational performances, and therefore determine whether training is an appropriate response or not.

2. They have no idea whether or not the participants were chosen based on the organizational needs of their institutions. One project implementing agent felt that some senior officials were monopolizing the opportunities to train overseas.²⁴
3. Some participants had difficulties understanding the coursework conducted using the English language.
4. Except for the first level on-site evaluation exercises conducted at the end of the programmes, they were not mandated to measure the kind of knowledge acquired or skills improved.²⁵ Neither were they required to do second, third, or fourth level evaluations nor informed of the results of such evaluations, if such evaluations were indeed carried out, as to whether:²⁶
 - trainees actually apply what they have learned in their workplace.
 - there are barriers preventing trainees from applying their learning in their workplace.
 - the training had resulted in changes in trainees' work performances, and if there had been changes, whether the changes had been substantial enough to affect organizational performances.

²⁴ According to the IAI Work Unit, "while further guidance is provided by the trainers and the ASEAN Secretariat at the selection stage, final decisions as to the actual selection of participants are left to each of the participating Member Country." One Malaysian project implementer, however, commented that they were not consulted on the level and characteristics of the ideal candidates for participation in the workshops, seminars, etc.

²⁵ According to the IAI Work Unit, "evaluation often only extends to course participants and second hand information is not captured unless specifically shared by the respective line agency or Member Country."

²⁶ According to the IAI Work Unit, "...IAI Meetings, which occurs four times a year, provides an effective platform to allow for continuous feedback between all stakeholders..." Malaysian project implementers interviewed say that they were provided with feedback for reference in the design of future courses. The question that should be raised here is why the implementing agencies were left out of the training evaluations and assessments.

- the impacts on organizational performances emanating from the changes in trainees' work performances were sustainable.

The following section concludes and sets forth some recommendations.

8. CONCLUSION AND RECOMMENDATIONS

The CLMV countries started joining ASEAN at a time when economic integration was accelerating within the grouping. To ensure effective and smooth economic integration of the ASEAN-10, ASEAN launched the IAI Work Plan in 2002. The Work Plan aims to help narrow the development gap between the older ASEAN-6 member countries and the newer CLMV countries, as well as to strengthen the latter's capacity, capability and resolve to meet the challenges ahead.

The result of a case study on the implementation aspects of a specific Work Plan project, however, raises questions about the effectiveness of that particular project, and in turn raises concerns about whether the aims and objectives of all IAI Work Plan projects are being realized. These are serious concerns if the capacity building efforts of the IAI Work Plan, which is scheduled to end its six-year run in June 2008, have not contributed effectively towards narrowing the development gap between the ASEAN-6 and the CLMV countries. Or worse, the development gap has widened further despite the IAI Work Plan, a real possibility because benefits arising out of globalization may be becoming even more unevenly distributed among the disparate members of the grouping.

To help improve effectiveness and efficiency of development assistance, it should be emphasized that projects and programmes targeting less developed members should

be drawn up separately to cater to each country's specific needs because of the differences in the pace of reforms and level of socioeconomic performance.

To facilitate this process, development assistance recipient countries should take ownership of their development problems and determine the final outcome of capacity building efforts because “capacity building ... isn't a process where an organization external to the process can determine the final outcome.”²⁷ To this end, a special unit should be set up in each of the CLMV countries, if they not already have, to carry out activities that should include:

1. conducting training needs analysis to identify problems or other issues in the workplace, and based on the results, work together with the implementing agencies in the ASEAN-6 to design relevant capacity building courses to target their specific training needs;
2. ensuring that the right trainees are sent to the right courses, and are actually able to apply what they have learned in their workplace; and
3. measuring changes in trainees' work performances, evaluate whether the changes have been substantial enough to affect organizational performances, as well as assess whether the impacts have been sustained.

Needless to say, the special unit should make the results of all post-evaluation and assessment activities available to the other stakeholders in the IAI Work Plan projects, especially the project implementers.

ASEAN needs help in its efforts to narrow the development gap. There are clearly problems with the effectiveness of the IAI Work Plan programmes, as can be inferred

²⁷ Macadam, R., J. Drinan., N. Inall, N. and B. McKenzie. 2004. *Growing the capital of rural Australia – the task of capacity building*. <<http://www.rirde.gov.au/reports/HCC/04-034.pdf>>

from the case study in this paper. The “Report on the Mid-Term Review of the Initiative for ASEAN Integration (IAI) Work Plan” cited many problems, among which are the low quality of some of the programmes, and the lack of coordination between ASEAN and other development frameworks in the Mekong Basin. For the IAI Work Plan to be meaningful, it should be incorporated into, for example, the better regarded ADB-sponsored GMS Economic Cooperation Programme, or for that matter, other development assistance programmes targeting CLMV countries. After all, ASEAN-6 does not have deep enough pockets to meaningfully fund IAI initiatives.

Infrastructure development, for example, is one of the priority areas of the current IAI Work Plan. However, the focus of IAI Work Plan projects is on soft infrastructure, “such as conducting training to build up capacity, assisting in developing policy, institutional, legal and regulatory frameworks, conducting feasibility studies, etc.”²⁸ The GMS Economic Cooperation Programme, on the other hand, has a heavy emphasis on physical infrastructure development. Linking the IAI Work Plan’s soft infrastructure capacity building efforts to the GMS Programme’s physical infrastructure development projects will increase effectiveness because of the synergies created.

The “Report on the Mid-Term Review of the Initiative for ASEAN Integration Work Plan” recommended broadening the scope of the Work Plan to include, among others, tourism. The CLMV countries are culturally rich, and have a natural environment brimming with potential. As such, culture and ecotourism projects should especially receive more attention. However, again for reasons of meaningfulness and effectiveness, tourism-related IAI Work Plan projects should be linked to similar

²⁸ ASEAN Secretariat. “*Bridging the Development Gap among Members of ASEAN.*”

<<http://www.aseansec.org/14683.htm>>

projects under other development frameworks in the Mekong Basin. The ongoing Mekong Tourism Development Project (which comes under the GMS Economic Cooperation Programme), for example, has among its initiatives, a project to develop 16 pro-poor community-based tourism products. This is a superb opportunity to link IAI Work Plan projects with this project, as eradicating poverty is also a Work Plan priority.

The scope of the IAI Work Plan should also be further widened to include projects aimed at specifically providing an enabling environment to small, medium, and micro-enterprises (SMEs). SMEs play such an important role in the process of providing incomes and creating jobs. SME-related Work Plan soft infrastructure projects could, for example, target the elimination of bureaucracy and assist in the creation of efficient and reliable public administration systems, since bureaucratic hurdles are a special burden for SMEs. Institutions should also be set up to ensure easier credit access and training for SMEs, if they not already have.

Since the CLMV countries are still basically agriculture-based, non-agricultural economic activities provide vital earnings supplements for rural households. Work Plan projects could target especially non-agricultural SMEs that are closely tied to agriculture through demand and supply linkages. Needless to say, SMEs involved in cultural and eco-tourism activities should also be targeted.

Economic integration is a trend. Broader regional integration processes in East Asia have already started, and the region is actively progressing on a path toward greater regional cooperation. East Asian regional cooperation and integration will bring with it the types of concerns that ASEAN is presently grappling with. During the first East Asia Summit in December 2005, leaders from the 10 member states of ASEAN, China, Japan, South Korea, India, Australia, and New Zealand vowed to focus on,

among other things, promoting cooperation in development, economic integration and growth, eradicating poverty and narrowing the development gap in East Asia, through technology transfer and infrastructure development, capacity building, good governance and humanitarian assistance.²⁹ These are the very issues ASEAN is currently focusing on in its community building efforts.

Economic disparities will likely become even more pronounced and therefore more of a concern in the context of East Asian regional integration. In anticipation of deepening East Asian regional cooperation and integration, ASEAN should thus see to it that the “Initiative for ASEAN Integration” is expanded into an “Initiative for East Asian Integration.”

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²⁹ ASEAN Secretariat. “Kuala Lumpur Declaration on the East Asia Summit, Kuala Lumpur, 14 December 2005.” <<http://www.aseansec.org/18098.htm>>

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APPENDIX

DAY 1 November 10, 17, 2003

8:30 - 9:00	Registration
9:00 - 9:30	Opening Ceremony
9:30 - 10:30	FRAMEWORK FOR DEVELOPMENT AND ADMINISTRATION OF E-COMMERCE CURRICULUM
10:30 - 10:45	Coffee Break
10:45 - 12:00	PART I: UNDERSTANDING NATURE OF E-COMMERCE MODULE I: FOUNDATION CONCEPTS Chapter 1: Foundation of e-Business (B2B, B2C, C2C, B2G, etc.) Chapter 2: Competing with Information Technology Case: McDonald's and American Express: E-Commerce Spin-off Strategies
12:00 - 1:00	LUNCH BREAK
1:00 - 2:30	PART II: CYBER SPACE ANALYSIS THROUGH WEB SITES MODULE II: BUSINESS APPLICATIONS Chapter 3: The Interneted E-Business Enterprise Case: Uniglobe.com and Allfirst Bank: Online Customer Care Alternatives Chapter 4: Electronic Business Systems Section I: Cross-Functional E-Business Systems Case 1: Siebel Systems and Telstra Corporation: Benefits of Customer Relationship Management Section II: Functional E-Business Systems Case 2: Alcoa and Cisco Systems: Real-time Manufacturing and Supply Chain Management
2:30 - 2:45	Coffee Break
2:45 - 4:00	Chapter 5: Electronic Commerce Systems Section I: Electronic Commerce Fundamentals Case 1: eBay Inc. and Amazon.com: Lessons from and E-Commerce Leader Section II: E-Commerce Applications and Issues Case 2: MarthaStewart.com: Building and E-Commerce Website Chapter 6: E-Business Decision Support Section I: Decision Support in E-Business Case 1: Siemaens AG: The Business Case for Global Knowledge Management Section II: Artificial Intelligence Technologies in Business Case 2: RivalWatch.com and Others: AI Tools for Competitive Business Intelligence
4:00 - 4:30	Questions and Answers. Class Adjourn.

Completion Report on ASEAN e-Commerce Programme

DAY 2 November 11, 18, 2003

8:30 - 9:00 9:00-10:30	<p>Registration</p> <p>PART III: DEVELOP E-COMMERCE STRATEGIES</p> <p>MODULE III: DEVELOPMENT PROCESS</p> <p>Chapter 7: Developing E-Business Strategies</p> <p style="padding-left: 20px;">Section I: E-Business Planning Fundamentals</p> <p style="padding-left: 40px;">Six major e-Commerce sectors strategies:</p> <ol style="list-style-type: none"> 1. Infrastructure 2. Applications 3. Portals 4. Content 5. Service 6. Exchange <p style="text-align: right; padding-right: 20px;">Case 1: Accel Partners: The Past, Present, and Future of E-Commerce</p>
10:30-10:45 10:45-12:00	<p>Coffee Break</p> <p style="padding-left: 20px;">Section II: Implementing E-Business Strategies</p> <p style="padding-left: 40px;">Seven key to e-tailing success factors:</p> <ol style="list-style-type: none"> 1. Selection and value 2. Performance and service efficiency 3. Look and feel of the site 4. Advertising and incentives to purchase 5. Personal attention 6. Community relationships 7. Security and Reliability <p style="text-align: right; padding-right: 20px;">Case 2: Cross Engineering, Pitney-Bowes, and Emerson: Change Management Challenges of CRM Systems</p>
12:00-1:00 1:00-2:30	<p>LUNCH BREAK</p> <p>PART IV: DEVELOP ACTION PLANS FOR E-COMMERCE DEVELOPMENT, IMPLEMENTATION, OPERATION</p> <p>Chapter 8: Developing E-Business Solutions</p> <p style="padding-left: 20px;">Section I: Developing E-Business Systems and Web-Store</p> <p style="padding-left: 40px;">Nine Essential e-commerce Processes:</p> <ol style="list-style-type: none"> 1. Access control and security 2. Profiling and personalizing 3. Search management (yahoo.com, google.com, etc) 4. Content management 5. Catalog management 6. Payment (web-payment, EFT, digital wallet) 7. Workflow management 8. Event notification and Advertising 9. Collaboration and trading (customer, suppliers, stakeholders and employees)
2:30-2:45 2:45-4:00	<p>Coffee Break</p> <p style="padding-left: 20px;">Section II: Implementing E-Business Systems</p> <p style="padding-left: 40px;">Case 3: The Sports Authority and Others: E-Commerce Website Design Requirements:</p> <ul style="list-style-type: none"> • Web site navigation • Shopping cart design • Checkout process • Trust and security • Web site speed
4:00 - 4:30	<p>Questions and Answers. Class Adjourn.</p>

DAY 3 November 12, 19, 2003

8:30 - 9:00 9:00-10:30	<p>Registration</p> <p>PART V: INCLUDE E-COMMERCE SECURITY & PRIVACY, LAWS AND REGULATIONS</p> <p>MODULE IV: MANAGEMENT CHALLENGES</p> <p>Chapter 9: Security and Ethical Challenges of E-Business</p> <p>Section I: Security, Ethical, and Societal Challenges of E-Business.</p> <p>Section II: Security Management of E-Business: (1) Hacking, (2) Cyber theft, (3) Unauthorized use at work, (3) Software Piracy and Law, (5) Fraud and Ethics, and (6) Computer Audit</p> <p>Case: e-Customs at Bangkok International Airport Customs Bureau, Bangkok, Thailand</p>
10:30-10:45 10:45-12:00	<p>Coffee Break</p> <p>Chapter 10: Enterprise and Global Management of E-Business Technology</p> <p>Section I: Managing E-Business Technologies: (1) e-Business and IT, (2) Managing IS Function, and (3) e-Business Technology Management</p> <p>Section II: E-Business Technology Management: (1) Global e-Business Technology Management, (2) Cultural, Political and Geo-economic Challenges, (3) Global e-Business Strategies, (4) Global e-Business Application and Platforms, (5) Global Data Access Issues, (6) Global Systems Development</p> <p>Case: UPS Thailand: e-tracking systems</p>
12:00-1:00 1:00 – 2:30	<p>LUNCH BREAK</p> <p>PART VI: PREPARE E-COMMERCE INFRASTRUCTURE</p> <p>MODULE V: REVIEW OF e-COMMERCE TECHNOLOGIES</p> <p>Chapter 11: Computer Hardware for e-Commerce</p> <p>Case 1: BTG, NEC Electronics, and Biogen: The Business Case for Server Computer Farms</p> <p>Chapter 12: Computer Software for e-Commerce</p> <p>Case 2: TravelNow and BEA Systems: The Business Case for Application Servers</p>
2:30-2:45 2:45-4:00	<p>Coffee Break</p> <p>Chapter 13: Data Resource Management</p> <p>Section I: Managing Data Resources</p> <p>Case 1: Shop at Home and Others: Data Resource Management for Business Intelligence</p> <p>Section II: Technical Foundations of Database Management</p> <p>Case 2: Payless Shoe Source: the Challenges of Storage Management</p> <p>Chapter 14: Telecommunication and Networks</p> <p>Section I: Overview of Telecommunication and Networks</p> <p>Case 1: Weblinc and others: The Business Case for Wireless LANs</p> <p>Section II: Technical Telecommunications Alternatives</p> <p>Case 1: Piasecki Steel, Lguide.com and Cyber-Train: Evaluating Broadband Alternatives</p>
4:00 – 4:30	<p>Questions and Answers</p> <p>Class Adjourn.</p>

DAY 4 November 13, 20, 2003

8:30 - 9:00 9:00 - 10:30	<p>Registration</p> <p>PART VII: EVALUATE E-COMMERCE CURRICULUM</p> <p>Section I: Framework for e-Commerce Teaching Evaluation (e-CTE)</p> <ol style="list-style-type: none"> 1. Objectives of e-CTE 2. e-CTE Techniques 3. e-CTE Analysis and Administration 4. e-CTE during Teaching and Learning Process 5. Standard e-CTE 6. Strategy to Improve e-CTE Technique
10:30-10:45 10:45-12:00	<p>Coffee Break</p> <p>Section II: Enhancing E-Commerce Curriculum that Fit with Your Organization</p>
12:00-1:00 1:00 - 2:30	<p>LUNCH BREAK</p> <p>PART VIII: DEVELOP E-COMMERCE RESEARCH GUIDELINE AND FUTURE DIRECTION</p> <p>Section I: Guideline for development and administration of Research-based E-Commerce Curriculum:</p> <ol style="list-style-type: none"> 1. Develop Research Questions 2. Conduct Relevant Literature Review 3. Develop Research Model or Framework 4. Select Research Methodology 5. Conduct Data Collection and Analysis 6. Conclusion and Major Findings
2:30 - 2:45 2:45 - 4:00	<p>Coffee Break</p> <p>Section II: Future Direction of E-Commerce and Research</p> <ol style="list-style-type: none"> 1. Future Research Topics 2. Publication of Results 3. E-Business Research Club at NIDA
4:00 - 4:30	<p>Questions and Answers Class Adjourn.</p>

DAY 5 November 14, 21, 2003

8:30 - 9:00	Registration
9:00 - 10:00	PART IX: FIELD TRIP to: Phillip Securities (T) PCL (for session starting on 10 Nov. 2003) or Seagate (T) Co. Ltd. (for session starting on 17 Nov. 2003)
10:00 - 10:15	Arrival at company
10:15 - 10: 45	Company briefing
10:45 - 11:00	Coffee Break
11:00 - 12:00	Company tour
12:00 - 2:00	Lunch
2:30 - 3:30	Back to training centre
3:30 - 4:30	CERTIFICATE PRESENTATION CEREMONY/PARTY
4:30	CONGRATULATIONS! Class Adjourn.
