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PACs and their functional equivalents in South East Asia.

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Oversight in South East Asia. A preliminary analysis

By

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Introduction

- The purpose of this presentation is to present some preliminary results of this ongoing research project,
- To compare and contrast budgetary oversight in Francophone countries with the oversight practiced by PAC

Preliminary remarks

- The literature on oversight has shown that oversight is good in many respects
- Oversight improves the quality of democracy
- It increases the legitimacy of the policies and of the political system
- It increases the stability of political system
- It reduces the risk and the incidence of political violence
- It reduces corruption

Preliminary remarks-2

- Given the importance of oversight, considerable attention has been paid to how parliaments perform the oversight function
- to distribution and the 'bite' of the oversight tools,
- To the conditions under which legislatures are more effectively performing their oversight tasks,
- To what can be overseen
- And to how the expenditure of public money can be monitored/overseen by a legislature

Preliminary remarks-3

- In the wake of the publication of McGee (2002), considerable attention has been paid to PACs
- Evidence has generally argued that PAC success may depend on
 - Institutionalization,
 - Organizational features

Preliminary remarks-4

- Institutionalization refers to either:
 - The type of norms under which a PAC is set up and operates,
 - The mandate of PACs

Preliminary remarks-5

- Organizational features refer to
- Type of legislature
- Size of legislature
- Size of committee
- Percentage of opposition members on the PAC
- Opposition chair
- Number of staff at the disposal of the PAC

Preliminary remarks-6

- Broader mandate
- Bigger size
- Better representation of opposition
- Opposition chair
- Larger staff
- Are all believed to enhance the performance of a PAC

A comparative analysis

- The data at our disposal reveal that there are differences and similarities within types of system and across types of systems
- The parliaments with a PAC (Thailand and Indonesia) are both bicameral, while 2 of the 3 Francophone parliaments (Vietnam and Laos) while the third one (Cambodia) is bicameral
- PACs are all chaired by an opposition MP, while the committees in Francophone countries are all chaired by government members

A comparative analysis-2

- The case of Cambodia is quite different from all the other cases.
- The functions that are performed by PACs in Thailand and Indonesia or taht are performed by a single committee in Laos and Vietnam, are performed by 2 committees:
 - la commission de l'économie, des finances, de la banque et de l'audit in the Senate;
 - la commission des finances et de la banque

Institutionalization

- No information for LAOS
- Thailand: Parliamentary rules
- Indonesia and Vietnam: law
- Cambodia: constitution and rules (art. 15 of the rules of the senate and art. 6 of the rules of the assembly)
- This means that parliamentary rules are the most common way in which a PAC or its functional equivalent are institutionalized

Size

- The general conclusion is: PACs are generally smaller, while budget committees are generally bigger
- There is however a major exception to this general trend
- In Cambodia Senate committees have 5 members, while committees in the national assembly have 7 members
- Cambodian committees are the smallest,
- PACs are relatively small-sized
- (there are 9 members in the Indonesian PAC, and there are 15 members in the THAI PAC)
- While committees are bigger in Laos and Vietnam
- Laos: 31 members
- Vietnam:37 members

- McGee suggested that when legislatures are too small and/or when PACs are too small, their smallness may have a detrimental impact on the functioning of the committee

Size-2

- One has to wonder however about whether past a certain point large committee size may also become problematic,
- For instance by creating the conditions for collective action problems.

Opposition MPs

- The committees under study differ not only in terms of size but also and more importantly in terms of their partisan composition
- There are no opposition MPs in Vietnam and Cambodia
- 1/3 of the MPs serving on the PAC come from the opposition in Indonesia
- Nearly half (7/15) PAC members are from the opposition in Thailand
- And no information was provided by Laos

Opposition MPs-2

- The literature on PACs has shown that PACs work better when some PAC members are from the opposition
- When opposition is adequately represented there is no need to have an opposition chair
- An opposition chair is however essential when opposition parties are not adequately represented or, worse, not represented at all

Length of term

- While these committees differ from one another in terms of size and partisan composition, they display no difference in terms of the length/duration of the mandate.
- They all last for the full term
- In the Cambodian case, the term in the Assembly is one year longer than the term in the Senate

Opposition Chair

- We find opposition chairs for the PACs (Indonesia, Thailand)
- We find government chairs for the Francophone countries (Cambodia, Laos, Vietnam)
- The literature on PACs has repeatedly shown that in those countries where the government party controls an overwhelming majority of the seats, it is beneficial for the proper functioning of the committee to have an Opposition Chair

Staff

- Staff matters
- Bigger staff usually leads to the production of more reports
- And the production of more reports goes hand in hand with the ability to reduce the misallocation of resources, the promotion of good governance and the reduction of corruption

Staff-2

- If we only look at **dedicated staff**, PACs in the region enjoy the support of remarkably smaller staff
- 9 staff members in Thailand, 10 members in Indonesia
- While in Laos and Vietnam budgetary oversight committees have remarkably larger staff
- 24 in Laos, 37 in Vietnam

Staff-3

- The exception of course to this trend (small staff for PAC, big staff for committees in Francophone legislature) is represented by Cambodia,
- Cambodia has a 5-member staff
- The literature on PACs (Stapenhurst, Pelizzo, Jacobs, 2013) has shown that the size of staff at the disposal of a PAC reflects the size of the committee

Staff-4

- The trend that comparative analysis has detected globally remains valid in the south East Asian region:
- Even in SEA bigger committees have more staff at their disposal and, smaller committees rely on a smaller staff

Staff-5

- However, the difference is less remarkable if we look at the size of **total staff** (dedicated+non dedicated)
- For instance, if we look at total staff Indonesia has 10 (dedicated)+20 (non-dedicated, provided by the government) staff members, for a total of 30 staff members
- A value that is fairly close to the values recorded in Laos and Vietnam

Staff-6

- It is important to note that while the relationship between the size of the committee and the size of staff is true globally and is also true in the region, regional committees all have a larger size at their disposal than the average PAC.
- The smallest staff size in the region (Cambodia) is of 5 member, while the average staff size for a PAC is 3.3 members

activities

- Activities are usually tracked by looking at
- Number of meetings
- Number of hearings
- Number of completed inquiries
- Number of reports submitted

Activities-2

- Responses have not been provided by all respondents in all respects
- So the only category for which we can make some comparison concerns the number of meetings

Activities-3

- With regard to the number of meetings,
- Laos provided no information
- Vietnam held 10, 12 and 12 meetings in 2010, 2011 and 2012.
- Cambodia held 16 and 13 meetings in 2011 and 2012
- Thailand held about 50 meetings a year
- While Indonesia reported to be holding 2 meetings a week

Activities-4

- These data show that PAC meet more frequently
- Since PACs have more opposition members than the corresponding Cambodian, Laotian and Vietnamese counterparts,
- The SEA data sustain the claim that the frequency or number of meetings reflects the number of opposition members serving on the PAC or its functional equivalent

Activities-5

- The data from SEA further illustrate that the smaller Cambodian committee are more active than the larger Laotian and Vietnamese committee
- This findings sustains a claimed we advanced earlier on, namely that size may matter in more ways than McGee had anticipated
- Supersmall PACs/committees may underperform because of their smallness, but oversized committees may also underperform because they have more coordination and collective action problems

Activities-6

- And the collective action problems that bigger committees may experience are not solved or counterbalanced, in contrast to what McGee had claimed, by the presence of a larger staff.
- The evidence from SEA suggests that McGee's hypothesis on the relation between size and performance needs to be reconsidered

Activities-7

- For McGee small PAC fail to perform because they are small, while big PAC fail to perform when they are inadequately staffed
- We claim, small PAC fail to perform because they are small and inadequately staffed, while big PAC fail because of internal coordination problems that have nothing to do with the size of staff
- The best committee is medium-sized and properly staffed