

Chapter 3

Local Capability and Decentralization in Thailand

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1. Dual system of local administration and local government in Thailand

As has been explained in Chapter 1, the structure of government in Thailand is characterized by the dual system of the local administration line, represented by provinces and districts, and the local autonomy line. Decentralization and strengthening of local governments in Thailand cannot be properly analyzed without a clear understanding of the changing relationship between these two lines. Moreover, during the past 15 years, a gradual decentralization process has made this relationship more complicated and has made it more difficult to understand the institutional context as well as the pre-conditions for strengthening local government in Thailand.

Seen from the legal-administrative perspective, Thailand's state structure is highly centralized. It is true that during past 15 years, LAOs and mandates of LAOs have become more numerous. But central government's supervision and control over local administration has been left intact. LAOs cannot pass their local ordinances, annual budgets and development plans, without permission from provincial governors and district chief officers. LAOs also live in fear of abrupt and unannounced inspections by the State Audit Office. This situation arises from the fact that LAOs in Thailand are only allowed to provide public services as long as they are clearly mandated to do so by various Acts of Parliament, such as the *Thesaban* Act of 1953, the PAO Act of 1997, the TAO Act of 1994, and the Decentralization Promotion Act of 1999. LAO mandates are scattered amongst many Acts without having been streamlined, and judgment and interpretation by the Administrative Court remains important.

In terms of local residents' representation, however, LAOs have increased their degree of autonomy. Before the promulgation of the 1997 Constitution, Interior Ministry officials and *Kamnan*/village headmen were allowed to participate in the management of LAOs. Chairing a PAO was a task performed by a provincial governor, many sanitary districts were chaired by district officers, and the chairperson of a TAO was for the first four-year term a *Kamnan*. Village headmen were automatically appointed as ex-officio members of sanitary district committees and TAO councils. Before 1997, except for the *Thesaban*, LAOs were run by locally elected representatives as well as by ex-officio

members, such as Kamnan/village headmen, district officers and provincial governors. Although the 1997 Constitution clearly banned Interior Ministry officials or appointed members from participating in the management of LAOs, the long-established institutional tendency for those LAOs to rely on Interior Ministry officials or *Kamnan*/village headmen should not be overlooked. Even now, in the guise of 'supervision and control,' provincial governors and district chief officers 'ask' LAOs to consider special budget allocations for various activities.

In any discussion of local capability, the external context should be analyzed together with the internal context. While the internal context mainly refers to organizational matters, the external context refers to the relationship of the LAO with local residents, other governmental agencies, NGOs, and so on.

This means that in analyzing of the nature of central-local government relationships in Thailand, special attention should be paid to the institutional heritage from the past transitional period. Roughly speaking, urban LAOs, represented by older *Thesaban* established before 1997, tend to be autonomous because of their long history and the absence of *Kamnan*/village headmen. On the other hand, rural LAOs represented by TAOs, by post-1999 *Thesaban* (former Sanitary Districts), and by *Thesaban* created through upgrading of administrative areas since 2000, tend to depend on local administration. Because LAOs such as these are located in rural areas, they tend to maintain the rural community and kinship system.

2. Problems of measuring 'local capability' in Thailand

Almost ten years of decentralization have brought forth several contentious issues concerning the state of local governance in Thailand. The main questions are these: has Thailand's decentralization really promoted local democracy, and has it responded to the increasing demands from local residents? Assuming that local democracy has been promoted during the past decade, which factors have been responsible for achieving the desired results?

There are also technical questions: how can we quantitatively measure the degree of improvement of local governance in an objective and impartial manner? The capability of a LAO and the capability of its head can be two different matters. Moreover the capability of a LAO cannot be measured simply by its financial capacity. What is more, so far as LAOs are concerned, independence in decision-making and in policy implementation does not automatically guarantee good results: in assessing effectiveness, some people place the emphasis on 'independence' from external groups,

while others stress the importance of the ‘result-base’. In short, there is no easy way to measure a LAO’s capability.

In analyzing ‘local capability’, we have used several sets of indicators to measure the degree of local good governance, such as the number of prizes LAOs have been awarded and the number of local ordinances passed by local councils over a certain period of time. In Thailand, it is quite common for LAOs to be given prizes for their best practices, such as tax collection, the promotion of cooperatives, environmental protection, community development and so forth. These prizes are given by various governmental agencies and institutions, such as the Ministry of the Interior, the Department of Local Administration, the Community Development Department, the Ministry of Natural Resources and Environment, the Ministry of Agriculture and Cooperatives, the Prime Minister’s Office, Provincial Governors, King Prachatipok’s Institute, and various Ratchaphat Institutes. Local ordinances are considered to be a direct means whereby the LAO tackles local problems such as garbage collection, sanitary matters, other environmental issues, local tax collection, and so forth. Therefore, we can assume that the more prizes a LAO is awarded, and the more local ordinances it issues, the higher the quality of the local governance that the LAO provides.

The following question then naturally arises: how do such LAOs manage to improve the quality of their local governance? There are three possible explanations. One is that the president of the LAO is particularly capable and that his or her leadership is satisfactorily responding to local demands. A second possibility is that the LAO itself has improved its capability and has devised mechanisms that successfully cater for local needs. A third possible explanation is that the LAO has learned creative measures through various interactions, including those with other LAOs, those with central government officials, and those with local residents and other relevant persons. The question is how we can measure these factors in a quantitative and objective way? Our analysis rests on the following assumptions: the more frequently LAO staff meet related people, the greater the autonomy of the LAO. Thus, our questionnaire asks how often the LAO meets with related people, by which we mean the staff of other LAOs, officials attached to the Ministry of the Interior, officials attached other important agencies (such as school teachers and health center officials), *Kamnan* and/or village headmen, and local residents. In order to put these questions efficiently, we placed related questions, such as those pertaining to educational decentralization and environmental issues, into other sections.

In our survey, we distributed questionnaire forms not only to LAO presidents, but also to LAO clerks. We have assumed that the more capable the local clerk, the

higher the autonomy that the LAO enjoys. The question is, how can we measure the degree of capability of the LAO officials? We have assumed that personal qualifications such as age, experience, former occupation, education may be important independent factors. Thus, and as a logical progression from our assumption, we have also investigated the relationship between the performance of the LAO and the personal qualifications of the president and/or clerk.

In the next section, we will show the results of our analysis, based on the research survey that we conducted in June 2006.

3. Analysis of Survey Data

Our first hypothesis is that the greater the capability of the LAO, the greater its creativity tends to be. Another hypothesis is that the greater the creativity of the LAO, the greater the frequency of its contacts with local residents.

Before proceeding to the results of the analysis of the survey data, let us first explain our own classification of LAOs in Thailand. As has already been explained, there are three types of ordinary LAO in Thailand, namely the PAO, a broader based LAO; the *Thesaban*, a basic LAO in urban areas; and the TAO, a basic LAO in rural areas. This is the official classification. However, taking socio-economic circumstances into account, most large TAOs are in fact situated in semi-urban areas, so they should be classified as *de facto* urban LAOs. According largely to revenue criteria, TAOs can be divided into three categories, namely large-sized TAOs (71 in number), middle-sized TAO (282 in number) and small-sized TAOs (6,386 in number. Note that the figures are for August 2006, a date two months after our survey). In what follows, we have categorized all *Thesaban* and all large TAOs as 'urban LAOs,' and all middle- and small-sized TAOs as 'rural LAOs.'¹

First of all, we have analyzed the co-relationship between frequencies of contacts with other LAOs and local capability. Local capability is measured in two ways. First we have counted the number of prizes awarded to the LAO during past three years (April 2003 to March 2006) and second we have counted the number of local ordinances, issued by the LAO, that took effect between October 2003 and March 2006. As Table 1

¹ In other chapters, we have divided rural TAO into two types, namely those less than 50 km and those more than 50 km away from the provincial hall. In this chapter, so as to maintain our analytical focus on the distinction between urban and rural LAOs, we have not adopted this two-fold classification of the TAO. PAOs have been excluded from the analysis because PAOs cover both urban and rural areas. Bangkok was not included in our survey data, because it is a special type of LAO in Thailand.

shows, in the case of ‘urban LAOs,’ the more visits a LAO received from other LAO presidents and clerks, the more local ordinances it tended to issue. On the other hand, in the case of ‘rural LAOs,’ as Table 2 shows, the more visits a LAO has received from *Kamnan* and/or village headmen, the greater the number of prizes that it has received and the greater the number of local ordinances it has issued. Table 3, meanwhile, shows that the more often that district chief officers or assistant chief officers pay visits to local governments, the greater the number of prizes awarded to the local government concerned.²

Table 5 Average number of prizes won and local ordinances that have taken effect in ‘Urban LAOs’

	Visits by other LAO's presidents/clerks	
	once a month or less than once a month	twice or more a month
Number of prizes	1.24 (N=318)	1.41 (N=51)
No of bills*	1.52 (N=318)	2.78 (N=51)

*: p<0.05

Source: Calculated from the survey data

Table 6 Average number of prizes won and local ordinances that have taken effect in ‘Rural LAOs’

	Visits by Kamnan/village headmen	
	once a month or less than once a month	twice or more a month
Number of prizes*	0.70 (N=985)	0.82 (N=1092)
No of bills*	1.46 (N=985)	1.74 (N=1092)

*: p<0.05

Source: Calculated from the survey data

² Here, ‘visit’ means that those people really did pay a visit to the office of the LAO, specifically to meet with either the president/mayor or the clerk.

Table7 Average number of prizes won and local ordinances taken effect in ‘Rural LAOs’

	Visits by chief district officers or assistant district officers	
	once a month or less than once a month	twice or more a month
Number of prizes**	0.74 (N=1730)	0.91 (N=329)
No of bills	1.57 (N=1730)	1.84 (N=329)

** : p<0.01

Source: Calculated from the survey data

Table 2 is very interesting in the sense that a *Kamnan* and /or village headman does not have the legal authority to order LAOs to do anything. Generally speaking, the *Kamnan* and/or village headman is considered to be closer to villagers than TAO councilors are. Therefore, we can interpret a *Kamnan*/village headman’s voice in LAO affairs as an indicator of success in attracting prizes and issuing local ordinances.

Secondly, we have analyzed the co-relationship between local residents’ contacts with LAOs and local capability. Our hypothesis is as follows: the more prizes the LAO wins and the more local ordinances it issues, the more frequent its contacts with local residents. Again, there is a distinction between ‘urban LAOs’ and ‘rural LAOs.’

In the case of ‘urban LAOs,’ the frequency of LAO contacts with local residents has no co-relationship with the number of local ordinances issued. However, as Tables 4 and 5 show, the more prizes a LAO wins, the more frequent the contacts that the LAO tends to make with its residents on issues concerning community order and personal disputes. There may not be a logical relationship, but at least the link can be interpreted as a weak co-relationship.

Table 8 The number of prizes won and frequency of contact with LAOs on community order issues

number of prizes	People's contact with LAOs over issues of order in the community		N
	contact (%)	no contact(%)	
0	83.5	16.5	164
1	90.4	9.6	94
2 or more	94.2	5.8	121

$\chi^2=8.283, p<0.05$

Source: Calculated from the survey data

Table 9 The number of prizes won and frequency of contact with LAOs over personal disputes

number of prizes	People's contact with LAOs over personal disputes		N
	contact (%)	no contact(%)	
0	62.2	37.8	156
1	73.7	26.3	95
2 or more	78.8	21.2	118

$\chi^2=9.570, p<0.01$

Source: Calculated from the survey data

On the other hand, in the case of 'rural LAOs,' our data show that there is a co-relationship between the number of prizes won and the number of local ordinances issued on the one hand, and the frequency of contacts between the LAO and its residents on the other. As Tables 6 and 7 show, the greater the number of local ordinances that the LAO has issued, the greater the frequency of contacts that it enjoys with its residents over such issues as community order, sanitary and public health matters and even personal disputes. Significant differences should be admitted among these three issues. Among three major issues, local residents seem to access their LAO quite frequently over sanitary and public health issues. These data suggest that the more open the LAO is to local residents, the more active that the LAO is likely to become.

Table 10 The number of local ordinances and frequency of contact with LAOs on community order issues

People's contact with LAOs over issues of order in the community			
bills taken effect so far	contact(%)	no contact(%)	N
0	74.4	25.6	1012
1 or more	79.8	20.2	1038

$$\chi^2=8.349, p<0.01$$

Source: Calculated from the survey data

Table 11 The number of local ordinances issued and frequency of contact with LAOs on sanitary and public health issues

People's contact with LAOs over sanitary and public health issues			
bills taken effect so far	contact(%)	no contact(%)	N
0	88.0	12.0	1030
1 or more	92.3	7.7	1056

$$\chi^2=11.228, p<0.01$$

Source: Calculated from the survey data

Table 12 The number of local ordinances and frequency of contact with LAOs over personal disputes

People's contact with LAOs over personal disputes			
bills taken effect so far	contact(%)	no contact(%)	N
0	61.4	38.6	1002
1 or more	71.1	28.9	1021

$$\chi^2=21.422, p<0.001$$

Source: Calculated from the survey data

Concerning to the co-relationship with the number of awarded prizes, as Table 9 suggests, again significant differences should be admitted, especially over environmental problems.

Table 13 The number of prizes won and frequency of contact with LAOs on environmental problems

People's contact with LAOs over environmental problems			
number of prizes	contact(%)	no contact(%)	N
0	83.1	16.9	1169
1	87.1	12.9	519
2 or more	87.3	12.7	395

$$\chi^2=6.587, p<0.05$$

Source: Calculated from the survey data

4. Summary and Interpretations

From the above survey data analysis, we may summarize our findings as follows.

First of all, we must admit the existence of a structural distinction between 'urban LAOs' and 'rural LAOs'. As is clearly indicated, this distinction makes our analysis meaningful and significant. In other words, this is a distinction that may be highly relevant in analyzing Thailand's local government system.

Second, so far as 'urban LAOs' are concerned, contacts among local governments may have a beneficial effect on local governance in Thailand. (However, as for 'rural LAOs,' this element did not show a significant difference.)

Third, among 'urban LAOs', capable LAOs seem to play active roles in resolving issues concerning community order and personal disputes. Fourth, so far as 'rural LAOs' are concerned, contacts with *Kamnan* and/or village headmen and officials from district offices seem to play an important role in enhancing the LAOs' local capability.

From those findings, we may be able to validate some of our hypotheses.

First of all, we may say that the more contacts that the LAO enters into, the more capable it tends to be.

Second, the structural distinction between the 'urban LAO' and the 'rural LAO' is important. This is clearly shown as regards the nature of the contacts that make the LAO more capable. While 'urban LAO' may learn more from fellow local governments, 'rural LAO' still learn from either *Kamnan* or village headmen, or from

district office officials. In other words, the 'urban LAO' are more autonomous and more independent than the 'rural LAO'.

Third, we may say that the more creative a LAO, the more frequent the contacts the LAO makes with its local residents. However, a special note of caution applies insofar as the nature of the relationship may differ as between 'urban LAOs' and 'rural LAOs'.