

**CAPACITY OF THE PLANNING AGENCY AND
NATIONAL DEVELOPMENT PLAN
IMPLEMENTATION EFFECTIVENESS:
A COMPARATIVE STUDY OF
THAILAND AND MALAYSIA**

Patcharawan Ubonloet

**A Dissertation Submitted in Partial
Fulfillment of the Requirements for the Degree of
Doctor of Philosophy (Development Administration)
School of Public Administration
National Institute of Development Administration
2020**

**CAPACITY OF THE PLANNING AGENCY AND
NATIONAL DEVELOPMENT PLAN
IMPLEMENTATION EFFECTIVENESS:
A COMPARATIVE STUDY OF
THAILAND AND MALAYSIA
Patcharawan Ubonloet
School of Public Administration**

..... Major Advisor
(Associate Professor Nattha Vinijnaiyapak, Ph.D.)

The Examining Committee Approved This Dissertation Submitted in Partial
Fulfillment of the Requirements for the Degree of Doctor of Philosophy
(Development Administration).

..... Committee Chairperson
(Professor Voradej Chandarasorn, Ph.D.)

..... Committee
(Associate Professor Nattha Vinijnaiyapak, Ph.D.)

..... Committee
(Associate Professor Sombat Kusumavalee, Ph.D.)

..... Dean
(Associate Professor Boon-Anan Phinaitrup, Ed.D.)

_____/_____/_____

ABSTRACT

Title of Dissertation	CAPACITY OF THE PLANNING AGENCY AND NATIONAL DEVELOPMENT PLAN IMPLEMENTATION EFFECTIVENESS: A COMPARATIVE STUDY OF THAILAND AND MALAYSIA
Author	Patcharawan Ubonloet
Degree	Doctor of Philosophy (Development Administration)
Year	2020

The Economic Planning Unit or EPU of Malaysia and the Office of the National Economic and Social Development Board or the NESDB of Thailand play a major role in setting the direction of country development through national development plans. The objectives of this study were to study why the development outcomes of Malaysia are better than those in Thailand in many areas, especially after the 1997 financial crisis, and how organization theory contributes to development plan implementation and effectiveness evaluation.

This research was qualitative and used in-depth interviews and focus group discussion, document analysis, and participation observation techniques as tools. The analysis of the data employed ATLAS.ti version 8.4.19 in order to compare the case studies chosen for the study. The results are as follows.

The rationale for the development outcomes of Malaysia being better than for Thailand, especially after 1997 financial crisis, was that the EPU performed its plan implementation with clear planning regulations through long-established planning and implementation coordination machineries that connected the Malaysia Plan and development projects that were supported by political stability, continued public sector development, and government development expenditures-led strategy. Regarding how organization theory contributed to development planning implementation and implementation effectiveness evaluation, it was found that organization design such as the PEMANDU—a performance management and delivery unit—was able to close the gap in planning, budgeting, and implementation.

The NESDB capacity was weaker than the EPU, institutionally and individually, and this results in planning not being a viable or effective means for guiding and

implementing government intervention; the NESDB has lost its position as the center of planning activities. Without the leadership of prime ministers and innovative organization design as in Malaysia, which helped to fill the gaps between plans and implementation, the NESDB's five-year national plan remained a blueprint that is referred to by the implementing agencies but that was not consulted during program and project initiation.



ACKNOWLEDGEMENTS

The completion of this dissertation could not have been possible without the assistance of so many people whose names may not all be mentioned. Their contributions are greatly appreciated. Nonetheless, I would like to express my sincere appreciation and indebtedness particularly to the following:

My supervisor, Associate Professor Nattha Vinijaiyapak for her guidance throughout the research work; Tan Sri Dr. Sulaiman bin Mahbob and Datuk Chua Hong Teck for their insightful suggestions; and Dr. Marayart Samootsakorn for her stimulating discussions and valuable advices.

I also want to thank my mother and father, who have always supported me morally and financially, so that I only had to pay attention to my studies and achieve my personal goals.

Thank you.

Patcharawan Ubonloet
October 2020

TABLE OF CONTENTS

	Page
ABSTRACT.....	iii
ACKNOWLEDGEMENTS.....	v
TABLE OF CONTENTS.....	vi
LIST OF TABLES.....	xvi
LIST OF FIGURES	xviii
LIST OF ABBREVIATIONS.....	xxi
CHAPTER 1 INTRODUCTION	1
1.1 Introduction and Background of the Problem	1
1.2 Significance of the Study.....	5
1.3 Definition of Terms	6
1.3.1 National Development Plan.....	6
1.3.2 Institutional Arrangements	7
1.3.3 Institutional Linkages	7
1.3.4 Stakeholder Management	7
1.3.5 Strategic Planning.....	8
1.3.6 Knowledge Management.....	8
1.3.7 Writing Skill	8
1.3.8 Interaction.....	8
1.3.9 Research Design	9
1.3.10 Political Stability	9
1.3.11 National Development Plan Implementation Effectiveness	9
1.4 Scope of the Study.....	9
1.5 Research Questions	10
1.6 Expected Benefits of the Study	10
1.7 Why Thailand and Malaysia.....	10

CHAPTER 2 LITERATURE REVIEW	12
2.1 Theoretical Overview and Approaches to Planning.....	12
2.1.1 Theoretical Development of Planning.....	12
2.1.2 Five-Year National Planning.....	17
2.1.3 National Development Planning	18
2.1.4 Development Plan Implementation	22
2.1.5 Development Plan Implementation Evaluation.....	25
2.1.6 Planner's Knowledge and Skill: Relevancy in Development Planning and Implementation.....	27
2.2 Organization Theory.....	29
2.3 Capacity and National Development Planning.....	32
2.4 National Five-Year Development Plan Implementation	43
2.4.1 Development Plan Implementation: Organizational Perspective.....	44
2.4.2 Conception of Development Plan Implementation Approach	45
2.5 Planning Organization Capacity and Development Plan Implementation Effectiveness.....	46
2.6 Development Plan in Practice: Thailand and Malaysia.....	48
2.6.1 Thailand's National Economic and Social Development Plan.....	48
2.6.2 Malaysia's Development Plan Implementation System.....	50
2.7 Related Studies	51
2.8 Independent Variables and the Moderator Variable in this Study	56
2.8.1 Institutional Arrangements	57
2.8.2 Institutional Linkages	57
2.8.3 Stakeholder Management	59
2.8.4 Strategic Planning.....	62
2.8.5 Knowledge Management.....	66
2.8.6 Skill Set	68
2.8.7 Moderator Variable: Political Stability	71

2.9 Linking Performance to Conformance: Evaluation of Development Plan Outcomes.....	73
2.10 Conceptual Framework	74
CHAPTER 3 METHODS	77
3.1 Research Design	77
3.2 Data Collection	78
3.2.1 In-depth Interview	78
3.2.2 Focus Group Interviews	79
3.2.3 Document Analysis	79
3.2.4 Participant Observation	80
3.3 An Analysis of the Data	81
3.4 Research Sites.....	82
3.5 Unit of Analysis.....	83
3.6 Design of the Indicators and Measures	83
3.7 Variables in the Study	84
3.8 Sampling.....	97
3.9 Validity of the Research	98
3.10 Research Steps and Expected Outcomes.....	99
3.11 Discussion with Knowledgeable Persons: Thailand and Malaysia	101
3.12 Panel of Experts: Thailand and Malaysia.....	102
3.13 Pilot Testing of Data Collection Instrument.....	103
3.14 Gatekeepers	104
3.15 Data Collection Process.....	107
3.16 Triangulation: Document Review and Observation.....	107
3.17 Research Ethics	108
CHAPTER 4 RESULTS	109
4.1 Process Analysis	109
4.2 Results of the EPU Capacity	110
4.2.1 Institutional Arrangements	110

4.2.2 Institutional Linkages	115
4.2.3 Stakeholder Management	117
4.2.4 Strategic Planning.....	120
4.2.5 Knowledge Management.....	120
4.2.6 Writing Skill	121
4.2.7 Interaction.....	122
4.2.8 Research Design	122
4.3 Results of the NESDB Capacity	124
4.3.1 Institutional Arrangements	124
4.3.2 Institutional Linkages	126
4.3.3 Stakeholder Management	127
4.3.4 Strategic Planning.....	128
4.3.5 Knowledge Management.....	129
4.3.6 Writing Skill	130
4.3.7 Interaction.....	131
4.3.8 Research Design	132
CHAPTER 5 DISCUSSION OF RESULTS: MALAYSIA	133
5.1 Malaysia's Planning Context.....	133
5.1.1 Administrative System and Politics	134
5.1.2 Economy.....	135
5.1.3 Race.....	136
5.1.4 Structure and Key Executive Central Agencies	137
5.1.5 Public Sector Development	137
5.2 Malaysia's Planning Horizon	140
5.3 Discussion of Results	149
5.3.1 Institutional Arrangements	149
5.3.1.1 Clarity of the planning organization's policy, procedure, and process regarding plan formulation, execution management, and monitoring and evaluation	149

5.3.1.2 Existence of laws and regulations determining roles and relationships.....	165
5.3.1.3 Association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in policy analysis.....	170
5.3.1.4 Association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation.....	172
5.3.1.5 Transparent, participatory, engaged dialogue with public organizations, private sector associations, CSOs, think tanks, and stakeholders	173
5.3.2 Institutional Linkages	176
5.3.2.1 Memberships, partnerships, associations, and networks	176
5.3.2.2 International organizations are formally incorporated in the planning mechanism	179
5.3.2.3 Structural Unit	179
5.3.2.4 Public organizations, private associations, CSOs, and think tanks are formally incorporated in the planning mechanism	181
5.3.2.5 External Communication.....	182
5.3.3 Stakeholder Management	184
5.3.3.1 Identification of stakeholders and knowledge of the potential impact of the organization	185
5.3.3.2 Formal plans or policies for stakeholder participation and the specification of desired goals and common benefits in each stakeholder relationship	186
5.3.3.3 Division devoted to handling data and information, and monitoring and balancing inter-stakeholder relationships.....	189
5.3.3.4 Staff with necessary skills: being listening and attentive, negotiating and having knowledge about specific stakeholders.	190
5.3.3.5 Open and Transparent Atmosphere	191
5.3.4 Strategic Planning.....	196
5.3.5 Knowledge Management.....	197

5.3.6 Writing.....	200
5.3.6.1 Using simplified language and vocabulary that are common to the audience in a consultative event	200
5.3.6.2 Ability to describe and visualize what is found from site visits to the political decision-makers	202
5.3.7 Interaction.....	203
5.3.7.1 Understanding the context of interaction, relevant substance, and having knowledge about the problem.....	203
5.3.7.2 Ability to adjust the language according to the target audience.	204
5.3.7.3 Characteristic of planning officials being humble and reliable ..	204
5.3.7.4 Ability to identify concerns and to demonstrate sensitivity	206
5.3.7.5 Description and explanation of the process and timeline of following actions before and after hearing about concerns and needs.....	208
5.3.8 Research Design	209
5.3.8.1 Collaboration with specialists and experts in relevant fields to undertake research	209
5.3.8.2 The organization's expense for research and research method training.....	210
5.3.8.3 Research design is an integral part of development plan formulation specifying how data will be collected, analyzed, managed, and available to others.....	210
5.3.8.4 Access to Academic Databases	212
5.3.8.5 Available budget and clear time frame for conducting research in the planning process	213
5.3.9 Political Stability	213
CHAPTER 6 DISCUSSION OF RESULTS: THAILAND.....	225
6.1 Thailand's Planning Context	225
6.1.1 Administrative System and Politics	226
6.1.2 Economy.....	227
6.1.3 Structure and Key Executive Central Agencies	228
6.1.4 Public Sector Development	229

6.2 Thailand's Planning Horizon.....	231
6.3 Discussion of the Results.....	235
6.3.1 Institutional Arrangements	235
6.3.1.1 Clarity of the planning organization's policies, procedures, and processes regarding plan formulation, execution management, and monitoring and evaluation	235
6.3.1.2 Existence of laws and regulations determining the roles and relationships among the planning organization and concerned public organization, private sector associations, CSOs, think tanks, and stakeholders within clear planning mechanisms.....	248
6.3.1.3 Association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in policy analysis.....	253
6.3.1.4 Association with policy public organizations, private sector associations, CSOs, and think tanks and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation of the development plan.....	254
6.3.1.5 Transparent, participatory, engaged dialogue with public organizations, private sector associations, CSOs, think tanks, and stakeholders	256
6.3.2 Institutional Linkages	256
6.3.2.1 Points for interaction and cooperation, for example, memberships, partnerships, associations, and networks	258
6.3.2.2 External communication.....	261
6.3.2.3 Structural Unit	262
6.3.2.4 International organizations are formally incorporated in the planning mechanism.....	262
6.3.2.5 Public organizations, private associations, CSOs, and think tanks are formally incorporated into the planning mechanism	263
6.3.3 Stakeholder Management	263
6.3.3.1 Identification of stakeholders and the analytical activity of its potential impact on the organization	264

6.3.3.2 Division devoted to handling data and information, and monitoring and balancing inter-stakeholder relationships.....	266
6.3.3.3 Formal plans or policies for stakeholder participation and the specification of desired goals and common benefits in each stakeholder relationship	266
6.3.3.4 Staff with necessary skills: being listening and attentive, negotiating and having knowledge about specific stakeholders	268
6.3.3.5 Open and transparent atmosphere.....	270
6.3.4 Strategic Planning.....	275
6.3.4.1 Use of formal strategic planning and methodology such as SWOT or scenario analysis.....	275
6.3.4.2 Time that the chief executive spent on the strategic planning process as a facilitator, giving advice on implementation monitoring, and on evaluating and updating the strategic plan ..	278
6.3.4.3 Upward and downward communication of chief executive within the organization hierarchy and various operational areas concerning the external environment and the organization's aspirations	278
6.3.4.4 The middle manager's participation in the strategic planning process.....	280
6.3.4.5 Identification of implementing responsibilities and necessary resources, including the budget allocated to particular programs, projects, or activities that advance the strategic agenda as well as internal monitoring and performance evaluation or the external feedback and reward system	281
6.3.5 Knowledge Management.....	282
6.3.5.1 Existence of the organization's KM Plan	282
6.3.5.2 Methodological Integration	286
6.3.5.3 Cultural Integration.....	288
6.3.5.4 Organizational Integration.....	289
6.3.5.5 Procedural Integration	289
6.3.6 Writing.....	289

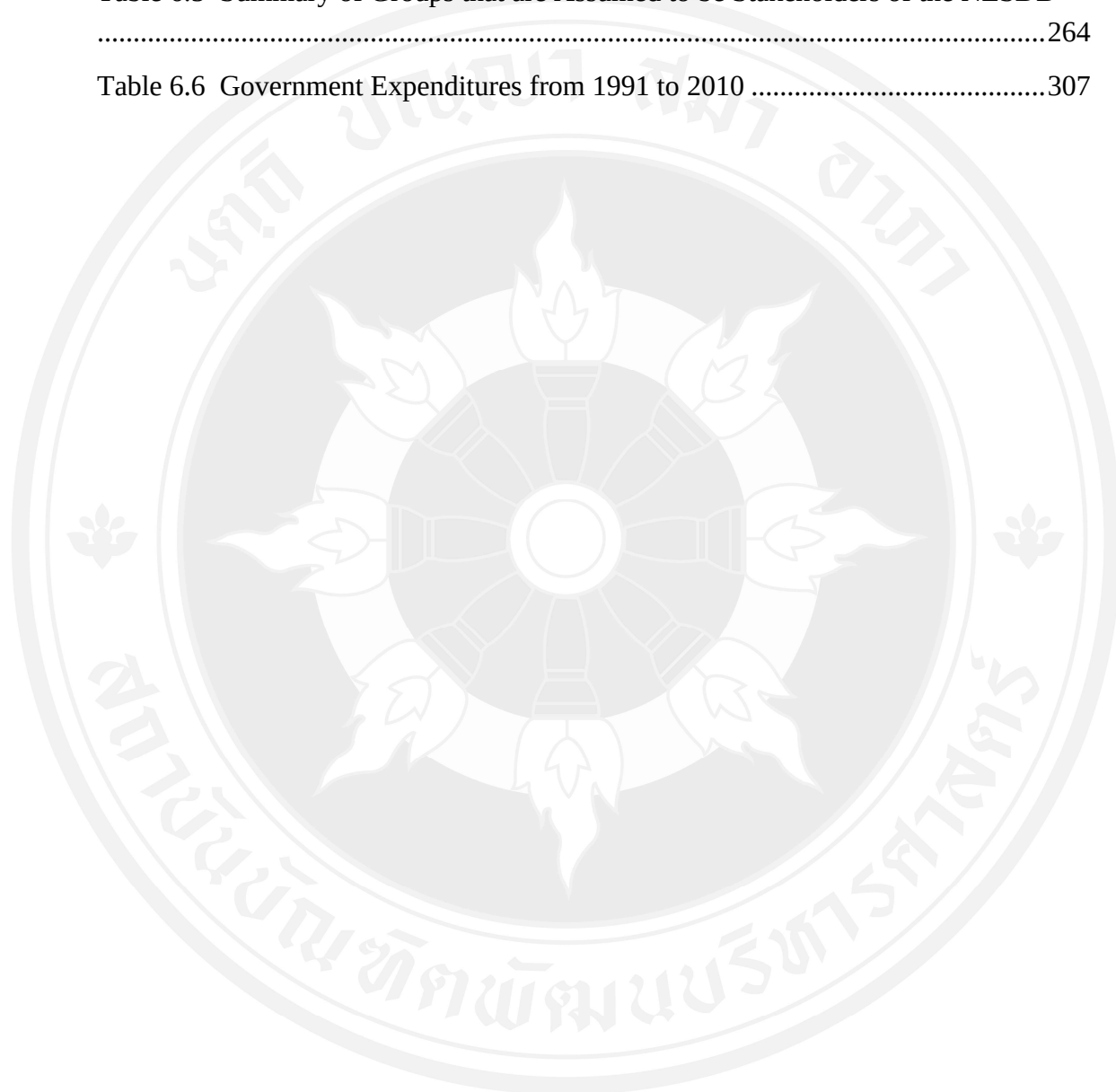
6.3.6.1 Discussing manuscript ideas on panels and in personal correspondence	289
6.3.6.2 Ability to describe and visualize what is found from site visits to the political decision-makers	290
6.3.6.3 Investment in the Writing Skill	291
6.3.6.4 Using simplified language and vocabulary that are common to the audience in a consultative event	292
6.3.6.5 Reevaluation or Modification of Strategic Guidelines And Goals	293
6.3.7 Interaction.....	293
6.3.7.1 Ability to adjust the language according to the target audience	293
6.3.7.2 Understanding the context of interaction, relevant substance, and having about the problem	294
6.3.7.3 Ability to identify concerns and to demonstrate sensitivity to the participants.....	294
6.3.7.4 Description and explanation of the process and timeline of following actions before and after hearing about concerns and needs.....	296
6.3.7.5 The characteristics of planning officials being humble and reliable.....	296
6.3.8 Research Design	297
6.3.8.1 The research design is an integral part of the development plan formulation specifying how the data will be collected, analyzed, managed, and available to others.....	297
6.3.8.2 The organization's expense for research and research method training.....	300
6.3.8.3 Access to Academic Databases	300
6.3.8.4 Available budget and a clear time frame for conducting research in the planning process	300
6.3.8.5 Collaboration with specialists in relevant fields in undertaking research.....	301
6.3.9 Political Stability	301
CHAPTER 7 COMPARATIVE ANALYSIS.....	312

7.1 Summary of the Capacity of the EPU and NESDB	312
7.1.1 Summary of the Capacity of the EPU	312
7.1.2 Summary of the capacity of the NESDB.....	316
7.2 Comparative Findings	321
7.3 Development Plan Implementation Effectiveness: The Conformance-Based Approach	322
CHAPTER 8 CONCLUSION.....	333
8.1 Limitations of the Study	333
8.2 Conclusion of this Study	333
8.3 Policy Implications	335
8.3.1 Policy Implications for the EPU.....	335
8.3.1.1 Improve legal framework and the capacity of national monitoring and evaluation.....	335
8.3.1.2 Continue to mainstream the lab Malaysia Plan and project formulation	335
8.3.1.3 Improve Interaction Skill.....	336
8.3.1.4 Reinforce KM Culture	336
8.3.2 Policy Implications for the NESDB	336
8.3.2.1 Establish an NESDB Planning Procedure	336
8.3.2.2 Integrate Monitoring and the Evaluation Framework	337
8.3.2.3 Improve Program Budgeting System	337
8.3.2.4 Change the Mindset and Culture	337
8.3.3 General Implications	338
8.4 Adding to the Literature	338
8.5 Suggestions for Future Studies.....	339
BIBLIOGRAPHY	341
APPENDIX.....	360
BIOGRAPHY	364

LIST OF TABLES

Table 2.1 Matachi's Three Levels of Capacity	33
Table 2.2 Lusthaus et al.(1995)'s Six Institutional Capacity	39
Table 2.3 Stakeholders of Planning Organizations	61
Table 3.1 Research Process and Expected Outcomes.....	99
Table 3.2 Discussion with Knowledgeable Persons: Thailand	101
Table 3.3 Discussion with Knowledgeable Persons: Malaysia	102
Table 3.4 Panel of Experts on Validity of Interview Questions and Identified Data Sources.....	103
Table 4.1 Institutional Arrangements	111
Table 4.2 Institutional Linkages	116
Table 4.3 Stakeholder Management	118
Table 4.4 Strategic Planning	120
Table 4.5 Knowledge Management	121
Table 4.6 Writing	121
Table 4.7 Interaction	122
Table 4.8 Research Design	123
Table 4.9 Institutional Arrangements	125
Table 4.10 Institutional Linkages	127
Table 4.11 Stakeholder Management	128
Table 4.12 Strategic Planning	129
Table 4.13 Knowledge Management	130
Table 4.14 Writing Skill	131
Table 4.15 Interaction	131
Table 4.16 Research Design	132
Table 5.1 Six Major Stakeholder Groups of the EPU.....	185
Table 6.1 Evolution of the Planning Approach of the NESDP.....	240

Table 6.2 National Economic and Social Development Act B.E.2521	249
Table 6.3 National Economic and Social Development Act B.E.2521	257
Table 6.4 Publications Related to Thailand	261
Table 6.5 Summary of Groups that are Assumed to be Stakeholders of the NESDB	264
Table 6.6 Government Expenditures from 1991 to 2010	307



LIST OF FIGURES

Figure 2.1 Conceptual Framework of the Study	76
Figure 3.1 Research Steps.....	99
Figure 4.1 Relationships Among Clarity of the Planning Organization’s Policies regarding Plan Formulation, Execution Management, Monitoring and Evaluation; and Incorporation of Public Organizations, Private Associations, CSOs, and Think Tanks in the Planning Mechanism; and their participations in policy analysis	112
Figure 4.2 The EPU’s Policy Analysis Capacity	114
Figure 4.3 Association with Public Organizations, Private Sector Associations, CSOs, Think Tanks, and Stakeholders in Five-Year National Plan Formulation, Implementation Monitoring, and Evaluation of the Development Plan ..	115
Figure 4.4 Institutional Linkages	117
Figure 4.5 Stakeholder Management; and Clarity of the Planning Organization’s Policies, Procedures and Processes Regarding Plan Formulation, Execution Management, Monitoring and Evaluation	119
Figure 4.6 Identification of Stakeholders.....	119
Figure 4.7 Research Design	124
Figure 4.8 Institutional Arrangements	126
Figure 4.9 Knowledge Management.....	129
Figure 5.1 Four Pillars of the National Transformation	146
Figure 5.2 Three-tiered Planning Horizon in Malaysia	148
Figure 5.3 Malaysia’s Planning Machinery	150
Figure 5.4 Organization Chart for the EPU	151
Figure 5.5 Malaysia’s Planning Cycle and the Role of Government Bodies	152
Figure 5.6 Planning Activities and Timeline	154
Figure 5.7 Malaysia’s Implementation Machinery	158
Figure 5.8 Circular of Chief Secretary to the Government in Preparation of the Eleventh MP.....	165

Figure 5.9 The Relationships between the Institutional Arrangements and Institutional Linages and its Effect on the Stakeholders Management	175
Figure 5.10 Institutional Linkage.....	184
Figure 5.11 The Stakeholder Management, Institutional arrangements and Institutional Linkage	193
Figure 5.12 IAPGs and PEMANDU.....	195
Figure 5.13 Ninth Versus Tenth Malaysia Plans	201
Figure 5.14 Malaysia and Thailand's GDP per Capita (PPP) from 1997 to 2016.....	222
Figure 5.15 Political Stability and GDP per Capita during Premiership of three Prime Ministers	224
Figure 6.1 Two-tiered Planning Horizon of Thailand	234
Figure 6.2 Organization Chart for the NESDB.....	236
Figure 6.3 The Tenth and Eleventh NESDP Planning Process	238
Figure 6.4 The Budget Formulation Process	244
Figure 6.5 Stakeholder Management Word List Analysis.....	272
Figure 6.6 NESDB Knowledge Management Plan 2005.....	284
Figure 6.7 Political Stability and GDP PER Capita during Premiership of Seven Thai Prime Ministers.....	311
Figure 7.1 Significant Capacity of the EPU.....	313
Figure 7.2 Relationship among Independent Variables.....	315
Figure 7.3 Malaysia's Development Plan Implementation Model using the Performance Approach	316
Figure 7.4 Significant Capacity of the NESDB	317
Figure 7.5 Thailand' Development Plan Implementation Model	319
Figure 7.6 Thailand's Development Plan Implementation Model Using the Performance Approach	320
Figure 7.7 Comparative Capacity of the EPU and NESDB.....	320
Figure 7.8 Summary of Key Policies and Initiatives and Development Outcomes...	323
Figure 7.9 Malaysia and Thailand's GDP (PPP) per capita from 1997-2016	325
Figure 7.10 GINI Index.....	327
Figure 7.11 UNDP Human Development Index 1997-2017	329

Figure 7.12 Competitiveness of Thailand and Malaysia from 1997-2015 331



LIST OF ABBREVIATIONS



ADS	Administrative and Diplomatic Services
BCG	Boston Consulting Group
BN	Barisan Nasional
BoB	Bureau of Budget
BoT	Bank of Thailand
CeDRE	Centre for Development and Research in Evaluation
CGD	Comptroller General's Department
CP	Country Programme
CPF	Country Partnership Framework
CPS	Country Partnership Strategy
CSO	Civil Society Organization
DAC	District Action Committee
DECO	Development Evaluation and Communication Office
EPPs	Entry Point Projects
EPU	Economic Planning Unit
ETP	Economic Transformation Programme
FPO	Fiscal Policy Office
GAP	Government Administrative Plans
GLCs	Government-Linked Companies
GTP	Government Transformation Programme
IAPGs	Inter-Agency Planning Groups
ICU	Implementation Coordination Unit
IDEAS	Institute for Democracy and Economic Affairs
ILO	International Labour Organisation
IMD	International Institute for Management Development
INTAN	National Institute of Public Administration
IRBM	Integrated Result-Based Management System
JICA	Japan International Cooperation Agency



JPPSCC	Joint Public and Private Sector Consultative Committee
KM	Knowledge Management
KPIs	Key Performance Indicators
M&E	Monitoring and Evaluation
MAMPU	Malaysian Administrative Modernization and Management Planning Unit
MBS	Modified Budgeting System
MEA	Ministry of Economic Affairs
MFA	Ministry of Foreign Affairs
MIER	Malaysian Institute of Economic Research
MKRAs	Ministry Key Result Areas
MoF	Ministry of Finance
MP	Malaysia Plan
MTR	Mid-Term Review
NAC	National Action Council
NAO	National Account Office
NAWC	National Action Working Committee
NBO	National Budget Office
NDP	New Development Policy
NDPC	National Development Planning Committee
NEAC	National Economic Action Council
NEC	National Economic Council
NEM	New Economic Model
NEP	National Economic Plan
NERP	National Economic Recovery Plan
NESDB	Office of the National Economic and Social Development Board
NESDC	Office of the National Economic and Social Development Council
NESDP	National Economic and Social Development Plan
NICs	Newly Industrialized Industrialized Countries Countries
NKEAs	National Key Economic Areas
NKRAs	National Key Results Areas



NM	National Mission
NPA	New Performance Appraisal
NPC	National Planning Council
NPM	New Public Management
NRS	New Remuneration System
NSC	National Security Council
NSO	National Statistical Office
NTP	National Transformation Programme
NVP	National Vision Policy
OBB	Outcome-Based Management
OCSC	Office of the Civil Service Commission
OECD	Organisation for Economic Co-operation and Development
OPDC	Office of the Public Sector Development Commission
OPM	Office of the Prime Minister
OPP	Outline Perspective Plan
PCoP	Planning Community of Practice
PEMANDU	Performance Management and Delivery Unit
PMDU	Prime Minister's Delivery Unit
PMO	Prime Minister's Office
PMS II	Project Management System II
PPBS	Program Performance Budgeting System
PSD	Public Services Department
PSED	Public Sector Executive Development
PTD	Pegawai Perkhidmatan Tadbir dan Diplomatik
RBM	Results-Based Management
SAC	State Action Council
SAWC	State Action Working Committee
SDGs	Sustainable Development Goals
TWGs	Technical Working Groups
UMNO	United Malays National Organisation

CHAPTER 1

INTRODUCTION

1.1 Introduction and Background of the Problem

Despite different social, political backdrop, and government administration systems, Malaysia and Thailand have always been in a race for becoming a Southeast Asian economic powerhouse where social and prosperity grow in a more inclusive manner. The journey to becoming a developed country has always been supported by the West. Just before the 1960s Thailand and Malaysia, like other less developed countries in Asia and Africa, adopted the idea of a central planned economy from the International Bank for Reconstruction and Development (IBRD)—the World Bank. The World Bank provided ideology, economic development theory, institutional arrangements, and introduced the central economic plan to both countries in order to help them eradicate extreme poverty and achieve better distribution and peace to this region. Among other purposes, the plan served as a means for successful fund execution of the development programs.

Guided by the British colony, the Federation of Malaya in 1951 embarked on the six-year Malaya Plan (1951-1956) as a condition from joining the Colombo Plan. The primary aim was to fix the economic imbalance among races. Later, when the Federation was united with Singapore, North Borneo, and Sarawak as Malaysia, the First Malaysia Plan (1966-1970) was introduced with support from the United States through the IBRD. The Economic Planning Unit (EPU) was established in 1961 as the Economic Secretariat of the Economic Committee under the Executive Council, and as secretariat to the National Planning Development Committee (NPDC). The major responsibilities included economic development planning, solving problems with the execution of the plan, and on all forms of foreign aid. Since then the national development planning landscape of Malaysia has evolved.

Thailand legislated the first National Economic Plan or the First Six- Year Plan (1961-1966) in 1961 with assistance from the IBRD. The goal was mainly to

improve the state of society and to tackle communist insurgency through infrastructure project investment. Prior to the formation of the first NEP the National Economic Council (NEC) was established in 1950. It was chaired by the prime Minister commissioned to giving economic advice and carrying out investment projects guided by foreign assistance programs. In 1978 the NEC was transformed into the National Economic and Social Development Board whereby the Office of the National Economic and Social Development Board (NESDB) serves as secretariat. The NESDB's major responsibility is the preparation of the NESDP.

Malaysia's plan is entitled the "Malaysia Plan or MP." Thailand's plan is entitled the "National Economic and Social Development Plan or NESDP." The central planning agency has become a pillar for central planning. The Economic Planning Unit and Office of the National Economic and the Social Development Board are both under the Prime Minister's Office.

Since then both countries have had a five-year plan that reviews the country's past and current social and economic performance, aspirations and goals, and the government manifestos over a five-year timespan. It guides the government implementing organization and private sectors investment.

Nonetheless, the scope and objectives of the plans have become greater over the past years. Globalization and the 1997 financial crisis demonstrate that the impact of growth without inclusiveness is not sustainable. National plan execution requires actions not only by the national planning agency itself but coherent actions, collaboration within government mechanisms and beyond that allow stakeholders and actors to work together for a good course to sustainability (Peters, 1998). Such a condition proliferates changes required in the overall capacity of the planning agency to act beyond just a think tank that relies heavily on a mechanistic approach and technical knowledge in areas such as economics, public policy, financial analysis, and infrastructure development or urban. There has been a call for greater capacity to empower and team up within public and with private sectors, interest groups, and stakeholders and actors to identify and agree on courses of action and to mobilize scarce government resources to realize desirable goals. Interestingly, the participatory approach has increasingly become an integral part of the national planning process. The central planning agency and the five-year planning tradition have remained.

With such entities with similar responsibility and a shift to participatory customs, why are the development outcomes of Malaysia better than those of Thailand? Malaysia remains advanced in major areas such as GDP per capita, inequality reduction, public sector efficiency, business environment improvement, and being more competitive than Thailand. Does the capacity of the central planning agency have an influence on different development outcomes?

However, most of the literature in planning while extending to different branches, for example, economic planning, urban planning, and social planning, sheds little light on the capacity of the national planning agency and its relation to development outcomes. Little is known about why and how planning, which is principally performed by a planning authority, generates different development outcomes for example in Thailand and Malaysia. What should make up the capacity of the individual, the organization, and the institution in relation to the degree of development outcomes (E. R. Alexander, 1993)? Many scholars criticize the relevance of the national plan in a complex and volatile world. Some questions about whether a planned economy is still valid in a market economy.

This study argues that a five-year national plan is necessary but not a sufficient condition for realizing development goals. National economic planning requires both bureaucratic and development approaches and is fundamental for a central planning agency to implement plans. There are two approaches to evaluating national plan effectiveness conformance and performance approaches. The conformance approach rests on outcome achievement but it is difficult to establish a causal explanation of outcomes and policy.

The conceptual framework—the development plan implementation evaluation model—is proposed to evaluate the capacity of the national planning agency. This model was developed based on the “performance-based approach,” that in the planning process, a plan is referred to and consulted in the decision-making process by bureaucratic organizations. It is believed that national five-year plan is no longer a “blueprint.” Rather it is a process that has gone through different consultations and negotiations that require the obligation to ensure conformity of the program and project and budgeting.

Following a conformance approach alone, whether quantitatively or qualitatively, it will cause additional vagueness in the field. In order to connect both approaches, a further analysis is offered to explain the relationship between the capacity and national development plan implementation effectiveness by using development outcomes; namely GDP per capita, the GINI index, and the International Institute for Management Development or IMD Competitiveness Ranking, and the United Nation Development Programme's Human Development Index.

The conceptual framework of the study is built based on knowledge drawn from three major sources of planning theory: a) centralized economic planning, development planning, and collaborative planning; b) organization theory; and c) institutional capacity assessment. Based on the review of the literature the rationales for constructing the conceptual framework is summarized as follows.

There has been a paradigm shift from centralized economic planning to participatory planning for inclusive development whereby the collaboration of government organizations, development partners, and stakeholders and actors is critical for planning and implementation.

Although central planning may no longer be relevant in a market economy, the government needs visionary coordinators and facilitators to drive government choices of action, to provide policy alternatives, and to ensure alignment between development programs and projects and national visions and goals.

Through a system lens, the influence and interaction with the environment define the capacity of the organization to survive and endure over times. Individual capacity, organizational capability, and the institutional level influence each other, whereas the environment may create a capacity gap at all levels.

Political stability has a critical influence on policy continuity and is a supporting force for the planning agency to manage plans, stakeholders, interest groups, and actors.

This study employed comparative case study because it analyzes and synthesizes similarities, differences, and patterns across two or more cases that share a common focus or goal (Yin, 1994) that could give an answer to the research question of this study: "Why are development outcomes of Malaysia better than those in Thailand in many areas, especially after the 1997 financial crisis?" Neither

experimental design nor the quantitative method would be able to uncover data and stories related to the cases studied. Using this type of research and application of the qualitative method allow testing of the independent variables would help modify the theories through detailed description (Creswell, 1998; Yin, 1994). The data collected using the qualitative method provided insight into answering the research question. The data were obtained from multiple sources, including site visits to government organizations in Malaysia and Thailand, in-depth and focus group interviews, policy and legal documents, archival documents, meeting notes and presentation materials, and new, verbal or visual communication messages. The qualitative data were quantified in order to explore the degree of the capacity by using qualitative data analysis software -ATLAS.ti version 8.4.19, a qualitative data analysis software. It was also used for storing, coding, and analysis to draw reliable conclusions for the study. The data were triangulated where appropriate.

1.2 Significance of the Study

National planning shifts from the pure achievement of economic prosperity to more meaningful development, particularly in developing countries where sustainability is the ultimate goal. As a result, looking at the national five-year plan in a traditional way might be an oversimplification (Ellman, 1983). In the past the national plan was a product of the analytical work of the knowledgeable planner or so-called technocrats. However, how to effectively implement it is more important.

However, a number of studies have indicated that progress in planning theory (Friedmann, 1989, 2011) is limited. Knowledge in national planning practices and contexts and the factors that influence planners' ability are restrained in single-country contexts (Waterson, 1969; Ellman, 1983; Ashshowwaf, 1996; Tri, Ha Minh, 2015; Al-Husain, 1981; Stone, 1980; Burby 2003). On the other hand, the term "implementation" is primarily explored in a limited fashion in the field of public policy (Pressman & Wildavsky, 1973). Little is known about the implementation effectiveness of the five-year national plan. The literature, especially regarding development planning itself, is even less explored with theory and knowledge from other fields, such as organization theory, to explain the relationship between the

capacity of the planning agency, and its relevancy and national development outcomes. Evaluation effectiveness is always outside the parameter of planning theory.

This study aims to fill the knowledge gap in how organization theory can contribute to knowledge in development planning implementation and effectiveness evaluation by employing a comparative case study of Thailand and Malaysia using the EPU and NESDB for study. The findings are transferrable to countries where planning entity and development plan exist, and similar characteristics are shared.

1.3 Definition of Terms

1.3.1 National Development Plan

The term national development plan is defined variously in different countries. Some countries such as Malaysia have a higher-level plan that is longer and broader in terms of vision and goals. In this study, the focus is placed on the five-year national plan of Thailand and Malaysia.

Thailand calls the national five-year plan the “National Economic and Social Development Plan” or the NESDP. It is five-year plan prepared by the NESDB stating the vision, socio-economic development framework, and targets.

Malaysia calls the national development plan as the “Malaysia Plan” or the MP. It is a five-year plan prepared by the EPU which outlines the socio- economic ends and key trusts and targets.

Due to the variation of names, in this study the national plan is used interchangeably with the national development plan and five-year plan where appropriate.

Drawing mainly on the literature on planning and organization capacity and related fields, the following presents nine variables that are expected to influence national development effectiveness. The nine variables include writing, research design, interaction, strategic planning, knowledge management, institutional arrangement, institutional linkage, stakeholder management, and political stability. Their definitions are as follows.

Individual capacity in this study refers to the skill and knowledge of planning officials within the national planning organization that meet the organization's mission. Individual capacity in this study refers to the skill and knowledge of planning officials within the national planning organization that meet the organization's mission. Individual capacity is measured by two dimensions: academic leadership and skills set, particularly the soft skills that are essential for “development” planning.

1.3.2 Institutional Arrangements

Institutional arrangement in this study is defined as the policies, procedures, and processes that the planning organization has in place to formulate, execute, monitor, and evaluate the results of the national development plan. In other words, it is the authority of the planning organization to manage the development plan through legitimated and well-organized mechanism and systems (United Nations Development Programme, 2008a).

1.3.3 Institutional Linkages

Institutional linkage is defined as a regular pattern of interaction or cooperation (Heikkila, Schlager, & Davis, 2011) between the planning organization and the public organization, a private association a CSO a think tank, or an international organization through formalized institutions such as shared rules and strategies that facilitate knowledge and resource exchange, identification of preferred roles and choices of service through their positions within various forms of network (Lusthaus, Anderson, & Murphy, 1995), producing functional interdependencies between different actors or collective bodies. The point of interaction or cooperation may be a membership, an association, a partnership, a member or a network (Inkpen & Tsang, 1995; Lusthaus et al., 1995)

1.3.4 Stakeholder Management

Stakeholder management refers to the development and implementation of the organization's policies and practices that take into account the goals and concerns of all relevant stakeholders.

1.3.5 Strategic Planning

Strategic planning is defined as a process that sets the organization's goals, visions, mission, and strategy through formal planning processes where the chief executive and middle managers work together in identifying the organization's approach, the operational system, and resources in order to ensure that the organization still fits the changing environment. Monitoring and evaluation of performance, external feedback, and a reward system are linked with strategic agenda and predetermined goals.

1.3.6 Knowledge Management

KM is defined as the ability to store and use information to improve the organization culture and the work process through an organized system, which increases the flexibility and adaptability of the organization.

Institutional capacity is defined as the capacity to manage the interrelation with implementing organizations, and public and private organizations, civil society organization (CSO), think tanks, groups of strategic bodies, and stakeholders through establishing mechanisms and systems for resource and knowledge exchange throughout the planning cycle. Institution capacity is assessed according to three dimensions: insitutional arrangement, institutional linkages, and engagement with stakeholders.

1.3.7 Writing Skill

Writing skill is defined in this study as the ability to write clear and precise development plans, evaluation reports for political decision-makers, implementing actors, and the general public.

1.3.8 Interaction

Interaction is defined in this study as the ability of planning officials to work in humble and transparent manners with the members of implementing agencies at different levels in defining problems, possible options, and how to execute selected policy and who will do it. The members of the organizations that are associated with the planning officials have trust in the planning officials.

1.3.9 Research Design

Research design is defined as having the skills and experience to formulate a problem and plan regarding how to best answer a series of questions for vformulation of the development plan in a structural, ethical, and transparent manner.

Organizational capacity is defined as the capacity to manage resources internally and with self-renewal. Self-renewal is the organization's learning capacity that determines the ability to adjust itself according to the demands of clients, including public and implementing organizations, and shifting contexts and relevant trends. Organization capacity is assessed according to two dimensions: strategic planning and KM.

1.3.10 Political Stability

Political stability considers both government and political aspects. Political stability is defined in this study as a predictable political environment where the propensity of change in the executive, either by constitutional or unconstitutional means, is unlikely. This study views that implementation is a functional part of planning where the power of the planning authority, planning and budgeting, and the competency of planners, the planning process, and the implementation mechanism matter.

1.3.11 National Development Plan Implementation Effectiveness

National development plan implementation effectiveness is defined by the development outcomes; namely GDP per capita, the GINI index, and IMD competitiveness ranking, and the United Nation Development Programme's Human Development Index.

1.4 Scope of the Study

This study uses the five-year national plan of Malaysia and Thailand as a comparative case study to test the proposed development plan implementation evaluation model and to explain the outcome differences between the two countries.

With the available time and limited funding, this study was not able to comprehensively examine the entire planning and implementation system of the cases studied. In addition, there might be other variables that affect development plan implementation effectiveness, such as public administration and social characteristics.

The timeline of the study is from 1998 to 2016, which covers the Eighth to Eleventh NESDP of Thailand and the Seventh to Tenth MP of Malaysia. I would like to note that at the time of study in 2018, the EPU changed its status from a government department in the Prime Minister's Office to a ministry called the "Ministry of Economic Affairs" or MEA. Therefore, from time to time the participants in Malaysia in this study referred to the MEA and the EPU interchangeably. Similarly, the NESDB in 2018 changed its name from the Office of the National Economic and Social Development Board to the Office of the National Economic and Social Development Council or the NESDC. The new NESDB Act B.E. 2561 (2018) was enacted with a new composition of council members and organizational structure. However, neither situation fell within the period of this study.

1.5 Research Questions

Why are the development outcomes of Malaysia better than those in Thailand in many areas, especially after the 1997 financial crisis?

1.6 Expected Benefits of the Study

This study offers three main theoretical contributions. First, it contributes to knowledge in planning for development. Second, it sheds light on how organization theory influences national plan implementation effectiveness and its development outcomes. Third, it adds to the body of knowledge in implementation theory.

1.7 Why Thailand and Malaysia

Thailand and Malaysia have been chosen for study as they are comparable in several ways including the following:

- 1) The formation and existence of a central planning agency
 - 2) Size and structure of the economy
 - 3) Economic development goals; both are in the upper-middle-income bracket are striving to become innovative driven economies
 - 4) Strong bureaucracies and an interlinked elite group between politicians, bureaucrats, and business leaders (Poocharoen, 2005)
 - 5) The system of the governments is parliamentary democracy.
- Malaysia is a federal constitutional elective monarchy composed of 13 states and three federal territories. The King of Malaysia is the head of the state State governments are led by a chief minister. Thailand is a constitutional monarchy. The country is made up of 76 provinces led by a provincial governor and two special administrative areas. Both countries have the prime minister as the head of the government.

CHAPTER 2

LITERATURE REVIEW

This chapter is divided into nine sections. First is the theoretical overview and the approaches to planning. The theoretical development of planning, national planning, and development planning are reviewed. In addition, implementation and national development plan implementation evaluation are also reviewed. Second is organization theory. Third is institutional capacity, and fourth is a summary of development plan implementation. Fifth is institutional capacity and development plan implementation effectiveness, and sixth is development plan in practice: Thailand and Malaysia. Seventh are related studies, and eight is a discussion of the independent variables and moderator variable in this study. Ninth is linking performance to conformance: evaluation of development plan outcomes. Finally, tenth is the conceptual framework of the study.

2.1 Theoretical Overview and Approaches to Planning

2.1.1 Theoretical Development of Planning

Definition of Plan

“Plan” has been defined and used by scholars and practitioners in a variety of fields, including national planning, social planning, and business and public administration.

Oxford dictionaries defines plan as follows:

“A detailed proposal for doing or achieving something”

“An intention or decision about what one is going to do”

“A diagram showing how something will be arranged”

International Livestock Research Institute (1995) proposes that the terms policy, plan, program, and project can be distinguished by time and space. A policy is a set of coherent decisions with a common long-term purpose. Policy is commonly

applied to the national level, not the district or provincial, and is not constrained in time, whereas a plan and program usually have specific timelines of operation, such as two-year programs or five-year plans.

Graham (2016) argue that a plan for most managers is a clear picture laying out terms and precise steps, and what to expect along the way to a desired destination. On the one hand, a plan is a “blueprint” that should be manageable. The author stresses that one needs to understand the different meanings of plan and planning.

Definition of Planning

The American Planning Association (as cited in Brenman and Sanchez, 2012) defines planning as a “dynamic profession that works to improve the welfare of people and their communities by creating more convenient, equitable, healthful, efficient, and attractive places for present and future generations”.

Davidoff and Reiner (1962) define planning as a process of determining appropriate future action through a sequence of choices. It requires a criterion for making judgments and required actions concerning preferred desired goals. Planning constitutes three actions: 1) selection of ends and criteria; 2) identification of a set of alternatives consistent with these general prescriptions and a selection of the best available option; and 3) guidance of action toward determined ends. It is the responsibility of planners to make judgments by providing descriptions and analyses. Thus, planning heavily relies on skills and accumulated knowledge in related sciences, for example, law, statistics, applied mathematics, and ethics.

Friedmann (1989) proposes that planning is an activity carried out by planners where certain knowledge distinguishes them from ordinary citizens. Planning should be viewed according to three streams—moral discourse, technical discourse, and utopian discourse. Moral discourse is the ability to make ethical choices or how we shall live with another. Technical discourse is the ability to effectively and efficiently construct means that lead to expected ends. Utopian discourse is the ability to develop visional images of the good life (Friedmann, 1989).

McConnel (1981) argues that planning and plan agendas are the product of political decisions influenced by the demands of interest groups; the degree of influence depends on the political system. The degree of receptiveness relies on the

extent of political pressure received from interest or partisan groups (McConnel, 1981).

Waterson (1969) argues that planning is looking for and choosing the best available option to realize national objectives. It is a complex yet organized process dealing with fact and the analysis of existing problems requiring the rational application of human knowledge, common sense, and decisions on means in an efficient way. Planning consists of managing activities as fixed paths. It is not limited to certain types of economy, for example, socialistic planning, capitalistic planning, democratic planning, or totalitarian planning, but includes reconstruction planning after war, and urban, town, and development planning (Waterson, 1969).

Dervis, Melo and Robinson (1982) argues that planning is not a matter of choice but rather a representation of centralized action that attempts to complement the market in achieving development outcomes such as economic growth, structural change, and income distribution (Dervis et al., 1982).

Simon Maxwell and Tim Conway (2000) contend that planning refers to any willed intervention in which planners define goals, specify inputs, and present a model of causality linking activities to goals. Since the late 1970s the planning approach has shifted from a blueprint approach that is dependent on technical experts to a learning process approach that is organic, bottom-up, flexible, and action oriented due to the complexity of reality and imperfect information (Maxwell & Conway, 2000).

Planning Theory

The debate about development planning has centered around whether planning that originated in a socialist economy would produce desirable effects in a mixed economy, particularly in a less-developed country where institutions are weaker. After WWII the discourse was about comprehensive planning in socialist countries, with better provision of results than in mixed economies because things were more manageable (Waterson, 1969). In the 1970s planning theory was widely adopted as governments took a major role in the provision of social services and public utilities. For planning, while adopted to other fields such as urban and regional planning, the purpose is to improve the well-being of society (Healey, McDougall & Thomas, 2008). In the midst of prevailing uncertainty, planners rethought the characteristics of plans and their caliber for remaining pertinent. There was a shift in interest from the

normative approach to a more humanistic and organic approach. That is, decision-making should be participatory and allocated to other economic levels. The theoretical positions of planning theory are sevenfold: procedural planning theory; incrementalism and other decision-making methodologies; implementation and policy; goal-directed planning; social planning and advocacy planning; Marx-rediscovered: the political economy approach; the new humanism; and pragmatism (Healey et al., 2008).

Procedural planning theory

Procedural planning theory rests on the comprehensive- rational decision-making model according to which humans are rational and have the capability to analyze policy alternatives, evaluate them, and select the best alternative to produce public values as well as to monitor the expected performance. The decision-making can be done through and within the organization's structure.

Incrementalism and other decision-making methodologies

Lindblom and Etzioni are two prominent advocates of the limited capacity of human beings. Lindblom argues that decision-making is rather a modification of current thought and practice rather than a radical change, is well-articulated and goal oriented. Etzioni proposes that decision-making can be improved by using a mixed scanning approach in both depth and breadth and using trial and error.

Implementation and policy

Implementation and policy contend that procedural planning theory disconnects planning from policy execution. Implementation is influenced by the organization's culture and human behavior. Policy is susceptible to failure due to the competition for resources, bargaining, and conflict of interests among individuals and groups. Such activities cause deviation from rules and policy guidance.

Goal-directed planning: social planning and advocacy planning

Influenced by participatory democracy, goal-directed planning focuses on inclusiveness through the participatory process and better resource allocation to those underprivileged for equal opportunity to access to government services. Thus, individual and group interests are included in planning.

Marx rediscovered: the new political economy

Marx rediscovered attacks capitalism for creating unequal distribution of resources and social classes; namely, the working and capitalist class. Government organizations are a tool of the state influenced by the interest in capital accumulation. Planning should be a state intervention, for example, in land prices, effective land use, and better social protection.

The new humanism

The new humanism derives from the concept of community empowerment, which believes in the capacity and responsibility of people to self-organize and to identify common interests in the community and respecting society. The role of the planner is to empower people to transform their beliefs and attitudes about living in the new ecology. However, this theoretical stand has gained little recognition.

Pragmatism

The central attention of pragmatism is merely to get things done with help from local councils, the central government, and the public. The weakness of this stance is that planners may disregard different values in society. In brief, planning theory has shifted from rational, comprehensive, decision-making to more humanistic and organic approaches. Planners are calling for the appreciation of different values in society, but planning remains a government intervention while it is seen as a tool to empower the community. It is evitable that planning concerns accumulative actors competing for interest in the planning process (Healey et al., 2008).

Moser (1993) proposed that the development of planning can be divided into three traditions: the classical, applied, and the transformative tradition.

The classical tradition

Classical planning concentrates on specifying objectives, is knowledge based, and includes agenda, processes, and organization. Technical knowledge navigates needed actions. Planning is a blueprint approach. The methodology employed begins with a for analysis. It assumes that implementation will literally follow after the visionary policy is laid out. Blueprint planning is naive because of the limited capacity of bureaucrats that do not have comprehensive knowledge of economics, social development, or environmental management and the context of

implementation. As a result, policies, plans, programs, and projects cannot bring about desirable changes in society.

Applied tradition

With the growing complexity of economic systems, planning has been applied to social, economic, and governmental development aiming at modern patterns of growth. Planning is cyclical, like policy analysis, starting from problem definition and ending with monitoring and feedback. This tradition was applied widely to project planning and has been used by donor agencies.

Transformative tradition

The transformative tradition underlies flexibility and responsiveness to more complex and cross-cutting public problems such as development, cultural, and environmental and gender planning. However, it fails to resolve conflicts and does not recognize negotiation as part of planning (Moser, 1993).

Friedmann (1989) makes a strong case on the development of planning tradition influenced by the surge of globalization. The new challenge in planning is pressing the demand of interest groups for participation in planning. Planning is no longer a business of technocrats that have absolute knowledge or a vision about the future or the means to effective distribution. They do not have complete access to political decision-makers. Planning is crowded with new actors, and has become a negotiated process among affected parties with different set of values, concerns, and interests (Friedmann, 2011).

2.1.2 Five-Year National Planning

A five-year national plan is used commonly in developing countries. In some countries this is referred to as a medium-term plan if a country has a higher-level plan which may cover the period of 10-30 years. A five-year plan is an expression of the aspiration that must be converted to programs of action at a given time (Stone, 1980). A national plan should be an explicit pathway to realize objectives derived from the assessment of realities, future potentialities, and capability (Caiden, Naomi & Wildavsky, 1974). Formalization of plans should provide an open space for discussion and negotiation until all parties reach acceptable agreement, for instance, public forums over national issues (Sawyer, 1976). When a five-year plan is adopted,

the focus is principally on infrastructure development, poverty reduction, and economic growth.

Commonly the issues included in a plan are, for example, review of the country's economic situation, the institutional framework for economic growth expedition, targets, specific development projects, estimation of expenditures and financial inputs, and assigning responsibilities for economic plan implementation. Often, it is used as a tool to promote investment confidence and government legitimacy. In the extreme case, a five-year plan could lack a premeditated move and become just a landmark for planners and the declaration of state expansion in economic activity (Stone, 1980).

Five- year planning can be divided into two stages: macroplan and fulfilling projects. They typically occur concurrently and influence each other. A macroplan outlines the vision, thrust, objectives, and target that are accompanied by strategies yet sometimes lose a description of guidelines to achieve objectives (Caiden & Wildavsky, 1974). Planning officials forecast what will happen during plan implementation (Watson & Dirlam, 1965)

Filling up the plan is performed by public organizations. Project proposals are developed and presented in a hierarchical manner following the macro plan guidelines; they are subject to assessment and prioritization. However, appreciation of the plan rationales and targets among program and project developing officials could be problematic (Caiden & Wildavsky, 1974). If legal resource and advisory bodies are lacking (Caiden & Wildavsky, 1974; Raichur, 1973), planning organizations can hardly ensure the commitment of political executives to follow the plan's guidance. A number of implementing organizations may result in high-priority projects failing to secure budgets.

2.1.3 National Development Planning

Seers (1969) argues that economic growth is meaningless unless a country still has poverty and inequality. People must be provided with access to quality education and have freedom of speech. A plan that does not include poverty reduction, unemployment, and inequality targets should also not be regarded as a development plan. Development is about unleashing human potential through the provision of

education, participation in government, and an economic and politically-independent living environment (Seers, 1969).

The definition of development is problematic. Scholars, policymakers, and international organizations attempt to define and measure the level of a country's development multidimensionally using different concepts, ranging from GNI per capita, health, education, living standard, and institution (Willis, 2011).

Edwards (1989) notes that bottom-up planning is critical to the success and sustainability of development projects. The practitioners of development cannot be successful without understanding the community, its problems, and politics, which can only be achieved through effective dialogue. According to Chambers (2007), sustaining participation in development requires changes in methods and procedures, institutions, and personal attitudes and behaviors.

Ripert (1967) argues that a plan is just a dream without embarking on the necessary action. Otherwise a plan is just paperwork. Preparation of a plan is a multi-stage activity. The first phase is exploration of the future through progressively modified projections and exploring major options. The second phase is about collecting relevant details and information from related parties through committees and working parties followed by synthesis and settlement (Ripert, 1967).

Wigley (1966) shares a view similar to that of Ripert. The author proposes that a plan should specify actions that sectors need to function. However, the author emphasizes supporting government measures that promote effective implementation (Wigley, 1966).

Ashshowwaf (2001) argues that that planning can be distinguished from development planning. The former is a comprehensive process. Development planning is on the other hand subject to political and various actors and is affected by administrative performance. Planning comprises two interconnected modes. One is policymaking featured by (a) a medium-to-long time perspective; and (b) attention to internal consistency between a range of following sub-decisions. Development planning is going through a formalization process by which politico-economic rationality and the administrative process attempt to arrive at decisions about development goals, actionable programs, projects, and policies and responsible agencies (Willis, 2011).

Good planning should cover all actions required to be fulfilled. A plan is should be subjected to constant review based on changing circumstances. The development planning process can be divided into two major stages. The first stage is creating a macro plan, in which the basic national goals for the period of the plan, the directions, and mechanisms to achieve these goals are articulated. The second stage requires the identification of development programs and projects and the determination of the estimated economic resources needed within a specific time frame. The first stage is a strategic planning and a policymaking function for achieving mutual recognition, agreement, and understanding of national development goals. The second stage is the tactical planning requiring identification of development projects and programs that must be coherent and well-coordinated with the national plan, prioritized in a systematic way (Ashshowwaf, 2001).

- 1) There are 14 steps in the planning activities:
- 2) Being attentive to the need for formulating a plan
- 3) Setting a precise statement of objectives
- 4) Preparing a broad outline of the proposal or plan
- 5) Obtaining approval for the proposal or plan
- 6) Organizing planning staff and assigning responsibility
- 7) Determining a specific outline of the plan
- 8) Establishing contact with all cooperating units
- 9) Obtaining necessary data
- 10) Evaluating data
- 11) Formulating tentative conclusions
- 12) Testing components
- 13) Preparing the final plan
- 14) Testing the plan and making adjustments
- 15) Getting approval

Ashshowwaf further argues that the planning agency takes a leading role in plan integration and coordination. The functional capacity of the agency determines the effectiveness of development program. It should be well organized and equipped with personnel that can analyze and use reliable data. More importantly, formalization of clearly defined relationships with other government agencies should be in place.

The central planning agency should inspire and facilitate implementing organizations to formulate development projects and provide the necessary insights and advice. Interactions between the planning agency and line agencies that are rich and continuous through formal communication structure promote information exchange. Legal frameworks reinforce the relationship with other organizations, particularly with the ministry of finance and budgetary unit to make expected actions possible (Ashshowwaf, 2001).

Ackoff (1977) argues that in developing countries planning constraints are not an economic factor, but constitute cultural infrastructure, such as political characteristics, corruption, paternalism, patronage, and conformity, leading to inefficiency and ineffectiveness of implementation. Development planning is not only about knowledgeable planners, but it is about empowering people and stakeholders to create changes, and to learn and develop themselves by providing information, instruction, motivation, and resources. Ackoff believes that participatory planning is effective because it is an idealized design or redesign as it translates ideas into practical means in which interactions make planners recognize the potential effects of ideas for design and encourages creativity. Hence, planners need a great deal of knowledge for communication (Ackoff, 1977).

Burby (2003) also has argued that the higher degree of involvement the greater is the chance of the proposal becoming implemented because it derives from analysis of genuine problems supported by a sense of ownership and a coalition of implementers and stakeholders (Burby, 2003).

Ellman (1983) argues that viewing a plan as a product of rational calculation of economists is an oversimplification. It is a result of interactions and bargaining activities of actors from local and central bodies, such as ministries, parties, and private sectors. The normative approach in planning advocated by neo-classical and Marxist economists should shift to a behavioral approach. A constructing planning system is about designing the role of administrative hierarchies at all decision-making levels and the absenteeism of political control (Ellman, 1983).

There are two types of planners. One is rationalist planning, and the other is pragmatist, focusing on coping with problems, encouraging the participation of stakeholders in discussing root causes, plausible goals, and alternatives until reaching

a consensus. The pragmatic planner inspires stakeholders and actors to follow the plan (Hoch, 2002).

Herberg (1981) argues that the commitment of government leaders is integral in implementation. Their leadership influencing the behavior and performance of planning officials is directly and indirectly influenced by politics (Baum, 2016).

2.1.4 Development Plan Implementation

Implementation is a functional part of planning. It is the identification of development projects and programs that are coherent with national development plans, and national priorities, categorized in a systematic way. Implementation is very challenging because of the variety of complex public issues. Implementation in the past greatly relied on formal organization, formality, authority, and mechanisms. The cooperation of related parties is needed to provide desirable ends (Ashshowwaf, 2001). Development planning theorists suggest that the conditions of implementation include, for instance, the complexity of the environment, comprehensiveness yet flexibility, the power of the planning authority, planning and budgeting, the competency of planners, the planning process, and the implementation mechanism.

1) Complexity of the environmental

The world is non-linear, chaotic, and is connected by complex systems (Maxwell & Conway, 2000). Globalization has exacerbated the intricacy of social and economic problems. Local economics and community-based concerns make planning much more difficult (Witty, 1988). Multiple stakeholders guard against their interests. The organization's environment is more complex, and such complexity undermines the capacity of planners to fully understand the situations, to forecast and determine long-term goals (Maxwell & Conway, 2000). They are in many circumstances influenced to support pre-determined decisions rather than using expertise and rational judgments (Fischer & Forester, 1993).

2) Complexity of the plan

The mounting endeavors to balance growth rather than certain targets such as higher production and investment are seen in the five-year plans of developing countries (Agarwala, 1983; Ripert, 1967). This complexity exacerbates the ambiguity of the development strategies which require a superior degree of

communication between the planning agency and political authority and between centralized agencies and the decentralized agencies in order to ensure aligned development policies (United Nations, 1969). In so doing, the national development plan becomes a guide rather than a specification of directions, a course of action, or a detailed program throughout the period of implementation (Ripert, 1967).

3) Authority of the central planning authority

The planning agency should be clear about how a plan should be implemented in terms of management technique, and the mechanisms necessary for managing and lessening the possible negative effects of development projects instead of reliance on the operating agency for implementation (Laurian et al., 2004). In developing countries the planning agency needs legal support to implement the plan. The planning agency needs supervision authority whereas the planning system is flexible enough for modification when the situation and new opportunities arise (Ripert, 1967; United Nations, 1969).

4) Planning and budgeting

The planning agency must be meaningfully embedded as part of the state machinery. It should have an appropriate degree of controlling power over other ministries in order to prepare for projects and the annual budget planning (Ripert, 1967). Development efforts, whether projects, programs, or plans, are conventionally coordinated through an annual financial budget, particularly regarding public investment coordination. However, the allocation of a public budget that belongs to the ministry of finance is usually done without reference to the plan (Waterson, 1969). Power and the relationship between planning and budget entities must be defined because their interaction and power relationship ensure the quality of the plan and its translation into actionable activities (Ripert, 1967). Cooperation and recurrent coordination between the budget and planning office allows for the flow of information about the progress of the development programs and projects and this is often poor. Despite the fact that the budgetary office needs guidance from the planners to prepare operational and annual budget plans, data about the progress of the development program and project from the budgetary office are an important means of feedback for annual operation plan adjustment (Waterson, 1969).

5) Organized collaboration

Effective implementation requires contributions from government organizations. However, there is always government inertia (Burby, 2003). Planning machinery and the institutional structure facilitate cooperation between planning experts, government organizations, and politicians. Organizational arrangements at the beginning of planning for fulfilling the decisions and coordinating activities must be in place (United Nations, 1969). Mechanisms joined by ministries and departments and central and provincial planning organizations allow for discussions that lead to agreed-on decisions and sanctions. This includes systematic procedures for coordinating execution, observing progress, and evaluating results. Yet, the relationship between the planning agency and the rest of the government is usually poorly well-defined, which affects implementation effectiveness (Waterson, 1969).

6) Formalization of the implementation mechanism

Development agenda are complex, cross-ministerial issues where each element requires execution by multiple organizations. Some countries form autonomous planning institutions where the primary role is breaking silos and encouraging cross-ministerial works in analysis and clear division of labor to tackle inter-sectoral problems. The bottom line of inter-sectoral planning is the formalization of processes that enable coordinated planning, sequential analysis, appropriate allocation of tasks, implementation, and evaluation that are driven by a coordinating body (Maxwell & Conway, 2000). Issues, progress, and obstacles are put on to the table of higher-level discussion and decision-makings through formalized communication channels, for example, regular inter-ministerial meetings and tedious communication between government organizations. Independent “policing” bodies such as a committee report directly to the prime minister’s office and this is a benefit for monitoring the implementation progress performed at the inter-ministerial and central-local level (Maxwell & Conway, 2000).

7) Participatory planning

Maxwell and Conway (2000) define plan implementation as a negotiated process of pressure groups that has effects on implementation. A more human approach, for instance, persuasive skills should be employed. Superior knowledge, formal authority, and power cannot contribute to the success of a plan. The role of planners should be

redefined to act in a way that promotes new development models for sustainable development that allow fixing implementation challenges stemming from functional bureaucracy (Ripert, 1967). Kádár (1969) stresses that planners cannot take the traditional role of planning expert in separate fields; multidisciplinary knowledge is required to formulate a plan. In order to work with stakeholders, planning officials require skills, for instance, effective communication, conflict solving skills, and the ability to be team players (Maxwell & Conway, 2000). Formal institutional structures and machinery should be flexible enough for changes and there should be a focus on pragmatism in the development process (United Nations, 1969).

2.1.5 Development Plan Implementation Evaluation

Development plan implementation evaluation has been criticized for a lack of progress in methods, quantitatively and qualitatively. The methods grow mostly for blueprints plan, for example, the physical development of urban areas (Brody, Samuel, & Highfield, 2005). This may be because indicative strategic plans are vague (Mastop and Faludi, 1997). There is also the absence of agreed techniques, dimensional indicators, data collection methods, and quality of data that can truly reflect the meaning of success (Brody & Highfield, 2005; Talen, 1996). In addition, there is little understanding of the relationships among the activities that shape planning, namely plan adoption, implementation, and performance evaluation (Brody & Highfield, 2005). Talen (1996) argues that knowledge in linking plans and outcomes is inadequate compared to policy implementation and program evaluation.

Laurian et al. (2004) notes that there are two approaches to looking at the performance of plan implementation; namely, conformance-based and performance-based approaches. These approaches rest on different sets of assumptions about the function of plans.

The conformance-based approach concentrates on the outcomes and linkages between the plans and actual development. It assumes that there is a direct relationship between the plan objectives and its outcomes (Pressman & Wildavsky, 1973). A plan is considered implemented if development patterns adhere to policies and objectives are met. Planning acts as a blueprint for future development which

itself is clear enough to guide desired actions and can be measured either qualitatively or quantitatively.

The performance-based approach focuses on planning processes. The plan guides future decisions, rather than being a blueprint (Alexander & Faludi, 1989; Baer, 1997; Hopkins, 2001; Mastop & Faludi, 1997). A plan is considered implemented if it is used or consulted in decision-making processes. In other words, the plan is seen pertinent to the decision-making process by bureaucratic organizations. Plans need not be strictly adhered to. Deviation from the plan policy is acceptable if necessary or if it makes sense in changing circumstances and can still be implemented. Laurian et al. (2004) argues that the conformance-based approach to evaluating plan implementation is superior and more useful for planning practitioners as the underlying intent of comprehensive planning concentrates on the physical outcomes of the development plan (Burby & May, 1997). Plan implementation is a plan where policies are implemented through the application of development techniques in planning. This approach is appropriate for the evaluation of a plan that is intended to be used as a blueprint to realize tangible results.

Nonetheless, Talen, (1996) contends that there are four types of planning evaluation.

- 1) Evaluation prior to plan implementation; namely, evaluation of alternative options and possible impacts of strategy and analysis of planning documents, which assesses the appropriateness of the planning model, and the factors affecting the quality of the plan

- 2) Evaluation of planning practice is a study of how planners act in negotiation and organization behavior. However, this type of evaluation fails to provide understanding of how results are actually realized through plan implementation.

- 3) Policy implementation analysis tries to understand what happens after a program or policy is endorsed. It concentrates on the administrative process and provides an explanation of why a plan deviates or fails to deliver what is stated by looking at the behavior of administrators, the receptivity of target groups, and political, economic, and social influences.

4) Evaluation of the implementation of plans focuses on the actual effects of the plan. It attempts to connect means and ends and addresses the gap between the plan and outcomes. It is either done by non-quantitative or quantitative methods. Previous works on non-quantitative method evaluations use planning attitude as a criterion for success. More objective indicators such as levels of economic well-being are also used. Both are criticized for providing ambiguous conclusions. On the other hand, quantitative evaluation focuses on the political and contextual factors and processes affecting implementation by measuring actual results against goals and objectives that cannot produce empirical results.

Talan concludes that the limitation of implementation evaluation progress derives from a lack of consensus on the meaning of implementation success and failure. It is proposed that consultation is an indication of successful implementation. However, multi-causality could obstruct building a linkage between plans and outcomes. In order to evaluate a plan, the assessment of the association between the plan and the actual outcome is appropriate. While politics and should not be overlooked in developing implementation evaluation, the success of a plan should be measured by the degree of the conformance between the goals of the community, their plans, and the outcomes of those plans. This approach helps to strengthen planning as a discipline.

2.1.6 Planner's Knowledge and Skill: Relevancy in Development Planning and Implementation

The planning profession has been questioned for its quality of being a profession and for its contribution to the real world. Vigar (2012) argues that the reason is the wider body of knowledge and skills required, coupled with increasing demand for change in roles influenced by the shift in planning ideology and tradition. The increasing complex environment and actors have made planners rethink how they can fulfill tasks in such an environment, the role to be portrayed by actors and competency gaps. There has been a great deal of knowledge and skill shifts from a comprehensive approach to a participatory-oriented one. Fundamental skills, including calculation and information analysis from a variety of sources, the ability to make judgments, altruistic characteristics, the ability to deal with diverse actors in

planning ecology, and predictive ability remain. However soft skills are increasing demanded.

Healey (1992) proposes that there are five main areas of knowledge and skills for planners including: procedures are knowing the legal procedures and working the institutional apparatus of the planning system; design is the ability to assess design from different points of view and knowing about the possible impacts; politics and institutions are the appreciation of the political-institutional context such as desired ends of politicians, and the interests and concerns of various groups; people is an attempt to understand participants' conditions, concerns, dilemmas, and to have empathy which leads to a higher degree of agreement; and norms are the understanding of group behaviors and balancing competing interests. There are three areas of knowledge that planners use in a combined manner; namely technical knowledge, sensitivity, and compliance with the procedural rules. Communication enhances the understanding of participants. The willingness to explain necessary conditions and procedures and to understand concerns are likely to solve problems (Patsy Healey, 1992). On the other hand, planning is sharing knowledge and translating it into collective action. Institutional arrangement helps closing knowledge and skill gap.

Witty (1988) proposes that professional values of planning lie in three qualities: 1) knowing by using systematic knowledge and specialized knowing; 2) doing by using technical skill; and 3) helping by using knowledge and skill to help people. To better define and improve the role of the planner one needs to understand the organizational background that revolves around planning practices and emerging politics of power and conflict (Witty, 1988). Planning officials should be more attentive to regional and local differences and take into account stakeholders and actors. This would enhance the validity of the profession (Witty, 1988). The positive behaviors of planning officials can be motivated by rewards and penalties (Friedmann, 1989).

2.2 Organization Theory

Organizational theory, particularly the field of organization structure, may be able partly to explain policy outcomes (Alison, 1971; Elmore, 1978) as it is a mean to implement policies. Implementation failures are organizational failures; and programmatic failures are multiorganizational and international failures. Interorganizational network performance affects implementation, its joint outcomes, and service delivery systems (O'Toole & Meier, 2011).

However, the literature in development planning pays slight attention to linking organization theory with development plan implementation to explain how it could help generate better development outcomes despite the prevailing complexity of actors. In order to provide a better explanation, the organizations involved in the implementation process should be viewed as open systems because arrangements, interactions, information, and resources exchange within and with others may potentially impact the capacity to deliver changes.

Organizations as an open system

Today it is difficult to find any organization that operates in a closed system. Most organizations function in open systems that comprise a set of interdependent organizations in complex environments that force them to reduce boundaries to survive and to achieve higher performance to produce desired changes in society (Hall & Quinn, 1983). Inputs from the external environment add value, resulting in better, if not undermined, products and services for the environment. A change in any components causes changes in other components. Organizations are a subsystem within larger systems. Those larger systems operate as part of the larger suprasystems. They interact with customers, suppliers, competitors, and other elements of the external environment (Daft, 2016). In order to maintain unity among different parts, and in order to complete the whole system, every system has a reciprocal process of integration through, for example, hierarchy, procedures, and policies to coordinate different levels of the subsystem. Monitoring and feedback mechanisms are a part of the system that helps with detecting changes in the environment and adaption when necessary (Robbins, 2011). The primary tool that managers use to mitigate uncertainty and risk is organization design.

Organization Environment and Structure

The organizational environment comprises all of the elements that are outside the organization's boundary which potential affects all or some parts of an organization. To be effective, an organization in an uncertain environment requires more information about the changes in environment in order to choose what actions are to be performed. The international environment, which is chaotic, forces organizations to redesign and change domains or strategies (Daft, 2016). Robbins (2011) argues that there are three-dimensional models of the environment categorized based on the degree of available resources, complexity, and the stability in environment. In a scarce, dynamic, and complex environment, organizational structure should be organic. In an environment where resources are plentiful and relatively simple and stable, the mechanistic structure is appropriate (Robbins, 2011). Less extreme, when organizations encounter uncertainty, they may choose to modify their structural mechanism in order to promote horizontal communication and collaboration for greater flexibility.

The means to responding to environmental uncertainty include the following:

- 1) Adding within an organization leading to internal complexity
- 2) Building a unit such as a business intelligence unit to interact and bring in and analyze information in the external environment to understand, detect problems, and to responsively tackle them
- 3) Differentiation and integration among departments such as R&D and manufacturing which requires more time, resources, and liaison personnel to improve horizontal coordination
- 4) Institutional imitation is simply an imitation of the approach of other organizations to deal with the environment by adapting internal organization with a loose hierarchy and decentralized authority, responsibility, and decision-making to lower levels or the so-called organic approach (Daft, 2016).

When experiencing expertise and resource restraints, an attempt is made to be more innovative by acquiring high caliber personnel. Adhocracy is a popular solution for organizational design. It is organic, adaptive, and permits specialist pool creation. There are many forms of adhocracy, such as:

- 1) Matrix organization—an interdisciplinary team
- 2) Network structure—a contracting out of the organization's primary functions that enhances the organization's competitive advantage, i.e. research and development is kept in house
- 3) Task force—a smaller form of matrix to carry out a specific and well-defined complex task and dissolved when the task is completed
- 4) Committee—a pool of experts from various fields or those that will be affected by a decision; and
- 5) A community embracing organizations from different sectors as a foundation for collaboration

Robbins (2011) emphasizes that even organization theorists have moved toward organic structure. Instead of choosing one continuum, organizations choose to decentralize some parts of the organization while maintaining decision-making power at the center in order to ensure controlling power at the top. The author emphasizes Robert Milward's argument about bureaucracy that Weber's concept of bureaucracy is still viable. Weber's actual argument is to control the irrational behavior of human beings through organizational restructuring, for instance, hiring highly skilled professionals, decentralization of decision-making, and the formalization of external units or so-called professional bureaucracy (Robbins, 2011).

Interorganizational Coordination

Interorganizational coordination is a critical part of planning because most planning involves multiple interacting organizations (Alexander, 1993). Peters (1998) defines "co-ordination as an end-state in which the policies and programs of government are carried out by minimal redundancy, incoherence and lacunae." Coordination has two extremes. One is cognizant and is the appreciation of others' work without interference or support. In the extreme case, coordination is controlling the organization and means jurisdictional control over disputed service. Information and resources exchanged within the system enable the performance in the delivery of public policy and services. Interorganization coordination is a solution for the fragmentation in implementation. The collaboration results in better identification of problems and solving human resource mobilization across sectors (Agranoff, 2008; O'Toole & Meier, 2011). Coordination does not follow a hierarchical structure.

Rather, mechanisms should be loosely constructed to allow interorganizational activities (Milward & Rainey, 1983; Provan & Milward, 2001). Organizations are bonded with authority, exchange relations, and coalitions shaped by mutual interest (Agranoff, 2008; O'Toole & Meier, 2011). Interorganizational relationships are built on four conditions; namely, resource restraint; high market competition and risks; population ecology to overcome structural inertia; and institutional pressure and rules or normative forces (Daft, 2016).

However, many organization theorists argue that interorganizational coordination may not be a definite answer to effective implementation of public policy or programs/projects because it cannot eliminate bargaining and negotiation among ministries and other organizations involved in policymaking and implementation (Caiden & Wildavsky, 1974). Organizations tend to shift from direct operation to governance models, for instance, steering, partnerships, and contracting out to tackle problems intensified by multi-level government operations (Agranoff, 2008).

2.3 Capacity and National Development Planning

Capacity has been discussed among scholars and practitioners in various fields, for example, organization and international development. International organizations such as the European Community, the UNDP, the World Bank, the Asian Development Bank or ADB, and the NGO community have attempted to assess organizations in the public domain and non-profit organizations in order to ascertain the potentiality of completing programs in efficient and effective manners. Organizational capacity is generally referred to as the organization's management and administrative activities, for instance, strategic and financial management, human resource management, and development and performance monitoring and evaluation. Beyond the operational focus is learning and adaptive capacity. The Asian Development Bank (2008) defines capacity as:

Capacity is an attribute of people, individual organizations, and groups of organizations.... Capacity of organization determines performance, outputs, outcomes and impacts of work done...Even though capacity is internal matter and capacity development as change creation internally, it generally is influenced by outside context. (Asian Development Bank, 2008)

Morgan (1998) argues that “capacity is about institutional, organizational and behavioral outcomes.” The Dutch Organisation for Internationalisation in Education views that capacity takes place at three levels: the individual, the organization, and the institution—elaborated from organizational capability. The individual should have competency including energy, skills, and abilities. The organization should have the capability to determine the collective ability of a group or a system to do something either inside or outside the system. The overall ability of an organization or system is its capacity to create value for others.

Matachi (2006) defines capacity as the following:

organizational and technical abilities, relationships and values that enable countries, organizations, groups, and individuals at any level of society to carry out functions and achieve their development objectives over time...to understand and identify capacity and its gap and development need, capacity should be view through system lens.

Table 2.1 Matachi’s Three Levels of Capacity

Level of Capacity	Definition of Capacity	Elements on which capacity is based
Individual	The will and ability to set objectives and achieve them using one’s own knowledge and skills	Knowledge, skills, value, attitudes, health, awareness, etc.
Organization	Anything that will influence the	Human resources (capacity of individuals in the organization)

Level of Capacity	Definition of Capacity	Elements on which capacity is based
Environment	organization's performance	Physical resources (facilities, equipment, and materials) and capital
		Intellectual resources
		(organizational strategy, strategic planning, business know-how, production technology, program management, process management, inter-institutional linkage)
		Organizational structure and management methods that affect the utilization of the resources (human, physical, and intellectual assets) such as organizational culture, incentives, a reward system, etc.
		Leadership of managers
		Formal institutions (laws, policies, decrees, ordinances, membership rules, etc.)
		Informal institutional (customs, cultures, norms, etc.)
Environment		Social capital, social infrastructure, etc.
		Capacities of individuals and organizations in the environment

Source: Adapted from JICA, 2004; Lusthaus, Anderson, and Murphy, 1995.

In addition, Matachi stresses that the terms institution and organization should be used carefully. Institution has two different meanings: 1) an organization founded for a religious, educational, or social purpose; and 2) an established law or custom. Today, the elements of an institution encompass other organizational elements, such as incentives, motivation, organizational culture, etc (Matachi, 2006).

Waheed and Hayat (1999) emphasizes that institutional capacity has a significant impact on economic transformation regardless of the form of government

in the Newly Industrialized Countries (NICs), such as Korea, Taiwan, Singapore, Malaysia, and Hong Kong. The administrative reform that led to higher effectiveness of civil service has played a critical role in economic development. The strengthening of the rule of law, transparency, accountability, and institutional development have had an impact on economic growth (Waheed & Hayat, 1999). High-caliber institutions have higher capacity to utilize funds or assistance for driving growth and development through program initiation and execution (Lusthaus et al., 1995). Building economic resilience requires sound policy analysis and management. However, a critical driver is the policy units that have qualified economic managers that work hand in hand with other core policy units and partner organizations in economic planning to improve the quality of policy formulation and management (Léautier, 2011). Representation of development partners improves governance and networks facilitate information sharing, possible interventions, policy advocacy, and coordination. Relationships with similar organizations such as the World Bank and the International Monetary Fund or IMF in and across countries build a pool of experts that is beneficial for national policy dialogue. Partnerships with universities, training institutions, and networks of thinkers are of principal significance in accelerating the lessons learnt and in terms of the application of knowledge and ideas in today's fast-changing world (Léautier, 2011). However, the development of institutional capacity through the knowledge organization approach is given little attention in the institutional structure literature (Gomez, 1994). Hence, capacity assessment can complement national development planning as it helps to bridge the capacity gaps in policy formulation and coordination for service delivery (United Nations Development Programme, 2008b). In spite of the progress in the science of planning, it has made little contribution to the progress of sustainable development (Polk, 2011). Capacity development and networks make collaborative planning work (Healey, 1996; Innes & Booher, 1999; Innes & Gruber, 2005).

After reviewing the literature related to capacity development and how it can be assessed, it was found that the term “capacity” and its components vary according to “pecking orders”-individual, organization, and institutional levels. Each stage influences the others. In order to understand the concept of capacity, the terms organization and institution must be clearly defined. However, there is no common

definition of capacity (Baser & Morgan, 2008). Organizations such as the UNDP and the World Bank have developed a number of capacity assessment frameworks that embrace both organizational and institutional elements. From the international development perspective, capacity development is seen through the lens of it being an open system. Thus, in this study the framework for studying capacity is explored at the three levels; namely, the individual, organization and institution. Matters considered relevant to the performance of the planning agency as a knowledge organization will be selected to develop an assessment framework in order to understand how the capacity of planning has an influence on development outcomes.

Elements of institutional capacity

The development literature highlights the correlation between capacity and development with regards to the individual, the organization, and institutional capacity. Studies concentrate on revealing individual competency, the impact of organization management and institutional linkages rather than providing an explanation of the three ladders of capacity as interrelated machineries. Organizational capacity relates to the administration of different parts or the system of an organization and using supporting tools for management, for example, hierarchy, governance, resources, and monitoring and the evaluation system to generate desired outputs and outcomes. Institutional capacity deals with generating a wider impact on the well-being of people and sustainable development (Lusthaus et al., 1995). It takes into account the soft side of the organization such as values, norms, commitment, knowledge management and leadership in managing relationships, conflicts, buy-in and the collaboration of external entities effectively.

Baser & Morgan, 2008 contend that whilst the organization's system, structure, and design help the organization function, humanistic factors such as mindsets, motivation, and the hopes of individuals are critical to capacity. However, contextual factors such as global pressure, governance, and politics influence the redefinition of the organization's capacity.

The capacity of the organization is made up of five interrelated capacities interacting as collective capabilities that attract resources and reinforce self-renewal ability.

Capability to commit and engage is the attitude to improve one's overall capacity, which is the key to self-organization. Abilities are, for instance, perseverance and having a sense of ownership.

Capability to carry out technical, service delivery, and logistical tasks whether policy execution and service delivery performance or strategic planning and strategic management and financial management

Capability to relate to and to attract resources and support is, for instance, the capability to earn credibility and legitimacy, to earn the trust from donors and clients, and to combine political neutrality and assertive advocacy.

Capability to adapt and self-renew is the ability to learn, effectively interact, and adapt and to self-renew. The capabilities include individual and organizational learning, internal dialogue, repositioning and reconfiguring the organization, incorporating new ideas, and mapping out a growth path.

Capability to balance diversity and coherence. Core capability includes communication, building connections, managing diversity, and paradox and tension.

Morgan (2006) introduced five capabilities or the 5C approach which allows organizations to achieve the organization's objectives.

The capability to act and commit among staff members to work enthusiastically towards common goals. Underlying conditions are legal support for binding commitments, and effective operation systems, for example, administrative, financial, and human resource development systems. Indicators are, for instance, the existence and regular review of organizational business plans, strategies, and visions. Plans and strategies are followed by effective implementation and monitoring, and structures and visions with a legal basis to make binding commitments; leadership has decision autonomy and implements decisions in time.

The capability to deliver on development objectives using knowledge, expertise, and experience to carry out operational actions to achieve the organization's mission. Indicators are, for instance, access to current and future financial resources and effective systems, including administration, information management, monitoring, ICT, and qualified staff.

The capability to adapt and self-renew is the capability to learn internally and to adjust according to shifting contexts and trends using knowledge management

systems that promote innovation creation. Indicators are, for instance, the ability to assess trends or changes and to anticipate or adapt to these effectively; active knowledge management systems to learn from past failures and successes; a human resource development plan that promotes and encourages learning and knowledge and skill exchange and relations with external stakeholders.

The capability of an organization to build and maintain networks with external actors in order to access financial resources, power, autonomy, and to maintain social credibility and reputations. Indicators are, for instance, strategies and resources for networks; the existence and density of contacts or networks with stakeholders, donors, and mobilizing sufficient technical and financial resources; legitimacy and accountability of the organization system in the eyes of its supporters and stakeholders; and the integrity of the organization, its leadership, and staff being widely recognized.

The capability to achieve coherence is consistency with its vision and strategy shared among the staff members across the organization; and mandates and identities. Indicators are, for instance, consistency among ambitions, visions, strategies, and operations within the organization; shared visions and strategies and with a clear identity that is related to core mandates and interests; and integration of all the structures or the system.

The organization's capacity is largely concerned with expected performance to deliver programs and services. Organization capacity is measured in three areas; namely, performance in carrying out organizational functions, performance in acquiring and utilizing resources, and adaptability performance. Higher organization capacity leads to better institutional capacity that generates a wider impact on the well-being of people and sustainable development (Lusthaus et al., 1995).

North (1994) defined institutions as the formal and informal rules of the game. Lusthaus et al., (1995) argue that institutional approaches build the capacity to create, change, enforce, and learn from the processes and rules that govern society. Institutional capacity emerges and is strengthened by having a strong organization system and the ability to relate to and utilize resources in a way that promotes continuous organizational growth.

Table 2.2 Lusthaus et al.(1995)'s Six Institutional Capacity

Institutional Capacity	
Strategic leadership	Leadership, Strategic Planning, Governance, Structure, Niche Management
Human Resources	Research, Teaching, Managerial Staff Technical/Support Staff
Other Core Resources	Infrastructure, Technology, Finance
Program Management	Planning, Implementing, Monitoring
Process Management	Problem- solving, Decision- Making, Communications, Monitoring and Evaluation
Inter-Institutional Linkages	Networks, Partnerships, External Communications

Source: Lusthaus et al., 1995.

Strategic leadership is an organization's direction and action of employees organized and aligned according to changing contexts that make sense to its members and stakeholders. It requires leaders, a governance system, strategic planning, and people that can drive creative actions that fit market demands. Leadership creates the organization's energy and creativity. It comes with positions of authority shown by, for example, setting directions and promoting resource development or by having special knowledge, skills, or resources that are valued by the organization's members. Strategic planning is the calculated goals, priorities, and tactics that warrant good performance for achieving goals. Strategic planning is a participatory process and acquiring resources is needed. Governance refers to the governing body and the constitution or policy and legal framework to ensure a leading edge in the domain. Structure is the system of working relationships that divide and coordinate the tasks of people and groups working to support the organization's missions and goals. Niche management is growing expertise that matches the client's needs.

Human resources is the provision of training and a motivating environment, and creating systems such as performance assessment and rewarding systems to enhance productivity and continuous learning.

Other core resources are facilities that allow employees to carry out their tasks effectively, including infrastructure, technology, and finance that all support the attainment of the organization's goals.

Program management is the ability to develop and administer programs in a way that supports the organization's mission.

Process management is a mechanism that supports translation of goals into coherent activities and future improvement: it guides and prescribes interactions among people to complete their work through planning, communication, decision-making, problem solving, and monitoring and evaluation.

Inter-institutional linkage is building relationships with other institutions, organizations, and groups of strategic institutions to facilitate knowledge and resource exchanges. Three methods of linking institutions include networks, partnerships, and external communications. A network is a group of individuals or organizations that share mutual interests and exchange information or resources on a regular or organized basis. A partnership is comprised of like-minded organizations coming together and sharing resources in various forms, such as consortia and alliances to realize common goals and objectives. External communication, such as journal articles, newsletters, or annual reports, keeps the organization's clients and stakeholders informed.

Bhagavan and Virgin (2004) explained that an institution encompasses the designations, hierarchies, relations, responsibilities, and modes of interaction that define the rules, values, and behavior within a given structure. Bhagavan and Virgin further argue that capacity is made up of six elements. Information and knowledge are shaped and obtained by mandates, surveys, studies, and research. Competence and ability or human resource development are characterized by the quantity and quality of in-house expertise and skills, both academic and non-technical, knowledge storing and training, and upstream and downstream information exchange. Governance, institutional economy, and institutional finance are defined by efficiency, transparency, and accountability. Technical and infrastructural resources are available. The policy

arena is the domain, structure, and resources for policy formulation and implementation including structures, procedures, and modalities for policy formulation and implementation, intra- and inter-institutional communication, and coordination and cooperation. Policy instruments for developing good policy means legislative and regulatory instruments or institutional frameworks, economic instruments, planning tools such as information about problems and impact assessment procedures, and communicative instruments: public hearings, use of media, public panels, forums, and websites (Bhagavan & Virgin, 2004).

Alvarez (1994) uses the term institution interchangeably with organization because organizational capacity influences institutional capacity. Institutional capacity depends on the ability to understand, engage with the environment, and to serve clients. Institutional success is defined as the capacity to create a body of knowledge and sound policy for the public, and to promote the capacity to cope with challenging and complex problems such as sustainable development. Alvarez (1994) proposed a five-factors model of institutional capacity based on communicative approaches to collaborative planning, social capital, and sustainability learning. The five-factors model on institutional capacity include the following: human competence and motivation; clarity of objectives, and the capacity to adapt refers to the commitment of the organization in the continuation of making itself respond to the client's needs and the environment in a strategic way through knowledge accumulation, research, and ongoing assessment of relationships in social and theoretical contexts; recognition of the body of knowledge needed and closing the gap to strengthen the organization's position in the scientific community and environment; a culture of knowledge is the provision of a climate of learning and intellectual values, and the organization's management strategies.

United Nations Development Programme (2008b) defines capacity assessment as the following:

A capacity assessment provides a comprehensive perspective on the capacities critical to achieving a country's development objectives. It is an analysis of desired capacities against existing capacities and offers a systematic way of gathering data & information on capacity assets and needs. Conducted during

the initial stages of development planning, a capacity assessment serves to provide an input for formulating a capacity development response that addresses those capacities that could be strengthened and that optimizes existing capacities that are already strong and well founded. It can also set the baseline for continuous monitoring and evaluation of progress against relevant indicators and help create a solid foundation for long-term planning, implementation and sustainable results.

The UNDP Capacity Assessment Methodology proposes that capacity resides on three levels: the enabling environment, the organization, and the individual. (United Nations Development Programme, 2008a)

The enabling environment can create incentives or constraints that affect the organization's performance. These elements include policies, rules, and norms; values governing mandates; priorities; modes of operation; and culture. Capacity assessment could begin with analyzing policy, legal and regulatory frameworks and resources; and the roles and functioning of different organizations that form the system and their interrelationships. Core issues are institutional arrangements, leadership, knowledge, and accountability. Institutional arrangements are the policies, procedures, and processes that a country has in place to legislate, plan, and manage the execution of development, rule of law, to measure change and other functions of the state. However, institutional arrangements are usually weak across the government sector because of inattentiveness to the intra-government coordination mechanisms. Leadership is the ability to influence, inspire, and motivate people, organizations, and societies to achieve and go beyond their goals. Knowledge is the creation, absorption, and diffusion of information and expertise towards effective development solutions. The growth and sharing of knowledge is primarily fostered at the individual level but it can also be stimulated at the level of organizations through the knowledge management system. These core issues rather spill over into one another. Organizations should have five capacities. First is the capacity to engage stakeholders and build a consensus among all stakeholders, including relevant public and societal agents, as well as external partners, by being able to identify, motivate, and mobilize stakeholders; to develop partnerships and networks; to promote engagement; to

manage large group processes and open dialogue; to mediate divergent interests; and to establish collaborative mechanisms. Second is the capacity to assess a situation and to define visions and mandates through the ability to gather and disaggregate data and information; and to analyze them in order to identify capacity assets and needs and to translate these into a vision and/or a mandate. Third is the capacity to formulate policies and strategies by assessing problems from different perspectives, identifying objectives and policies needed, and setting priorities and driving mechanisms. Fourth is the capacity to budget, manage, and implement projects and programs and human and financial resources. Fifth is the capacity to evaluate results and to process the lessons learnt in order to ensure performance, learning, and accountability. Waheed and Hayat (1999) have argued that the clarification of the organization's mission is a powerful guide to goal and objective setting and operation management, which can derive from strategic management. In public organizations the direction and agreement about who are the beneficiaries and what is to be delivered are always missing although it can guide organization direction, the adjustment of the organization's structure, and identification of the capacity needed. Compensation and performance evaluation should be integral parts of remuneration. Nonetheless, in the public sector it is usually weak. Assessment is typically done on an annual basis, which does not facilitate continuous improvement.

2.4 National Five-Year Development Plan Implementation

A national development plan is an expression of a nation's aspiration to achieve a set of economic and social development goals and targets within a five-year period. It is sometimes a lower interconnected level of the long-term plan. Since the 1950s the main purpose of the national plan has been primarily an instrument of the government for driving economic growth. Actions decided by the government and central planning authority are incorporated in national development plans. Such plans act as a blueprint gauging actions to be performed by implementing organizations. Effective planning rests on a comprehensive rational approach as it is believed that reliable data and techniques contribute to a good plan. All relevant information is acquirable and future circumstances are foreseeable by competent planners. Macro

planning is a separate activity carried out by the central planning authority, while micro planning is done by the implementing organizations at federal/central and state/provincial administrations. It is assumed that implementing agencies involved in formulating plans can comprehend the goals and expected actions, while planning officials are those that understand and can explain theory and causal relationships.

Subsequently, the visions and goals of national planning and plans have shifted from central planning, whereby the ultimate goal is principally economic growth, to more sustainable and inclusive development (Kopetzky, 2011). Development plan theorists that advocate development planning believe that planning should truly embrace the meaning of development and not just economic growth. They even ask for shifting the roles of planners from command and control of plan directions and goals to facilitators and agents of the empowerment. The process of planning ideally becomes a bottom-line. Effective planning is a participatory planning process as it would place the root cause of public problems on the table and a consensus can be reached concerning realistic goals, objectives, and alternatives, followed by the design of feasible programs or projects. The central planning authority is no longer the entity that knows best for the country. Planning and implementation are interdependent and interconnected processes, and they hinge on shared visions and commitment and encourage the concerned population to take part not only in planning but also in the implementation of systematically designed processes and activities.

2.4.1 Development Plan Implementation: Organizational Perspective

Despite the shifted momentum in planning, it implies the significance of the organized actions of the planning agency and concerned parties to co-identify and tackle the problems that a country faces. In applying an organization perspective to national five-year planning, there are two approaches for national development plan implementation: the bureaucratic implementation approach and the development implementation approach.

Bureaucratic Implementation Approach

The bureaucratic implementation approach relies on bureaucracy as a mean to transmit thinking, means, and physical resources and to oversee development

activities performed by implementing organizations. Implementation is carried out through the bureaucratic organizational setting embedded by visionary planners and competent implementers. The authority and relationships between organizations in the implementation process are logically designed and defined in the form of hierarchical structures as a reliable means to produce desirable ends. The desirable action and behavior of bureaucrats and those involved can be controlled by formal rules and regulations with minimal interpersonal relationships and the command of the planning authority.

Development Implementation Approach

The development implementation approach is influenced by development ideology. It takes into account the values and interests of the development partners, stakeholders, and actors. It requires planners with soft skills rather than those with solely technical knowledge. It is human oriented, where implementation relies on the leadership of planners with a development mindset. Planning officials create participatory platforms to remove conflicting views about means. Such a process leads to a consensus about means that survive conflict demand and interests, which subsequently increase commitment and collaboration in implementation and problem solving. Thus, planning officials instead play an important role in empowering implementing organizations, stakeholders, and development partners to take part in planning and implementation through dialogues and government-formed channels.

However, each approach may explain the necessary conditions for implementation but they are not sufficient to explicitly explain the capacity of the planning agency and its relation to desirable development outcomes.

2.4.2 Conception of Development Plan Implementation Approach

A national plan is executed as a subsystem of a larger open system, as discussed earlier, which is subject to intrusions caused by complex environments. In a stable environment where resources are plentiful, the mechanistic structure for implementation may be adequate and appropriate (Robbins, 2011). However, in a globalized world organic structure tends to allow flexibility and a good degree of responsiveness. Decentralizing some parts of the organization while maintaining decision-making power at the center in order to ensure controlling power and the

capacity to respond to the environment, and coordinating roles to gain more information about changes in the environment, ensures policy alignment and power to modify strategies and the mobilization of resources. National development plan implementation still, on the one hand, requires bureaucracy that provides a mechanism and power for controlling the action of actors in the implementation system to mitigate the effects of goal deviation. Most importantly, if one believes that developing countries need a country visionary framework because institutions are weak, then central planning with superior power with autonomy may be needed.

Planning officials take a leading role in creating the mutual understanding of the national goals in the future and what and how development strategies will be taken, how the country will look in the best case, and who will be responsible for different actions. In order to identify responsible organizations and partners, planning officials need to understand the causal relations between strategies and their contributions to certain issues. In so doing, priority agendas are set clearly enough for budgeting and monitoring and evaluation purposes. In order to evaluate the effectiveness of development plan implementation, different organization effectiveness approaches have been reviewed. The goal-attainment approach, focusing on the output, is naive and will simply be tricked by smart policy managers. The stakeholder approach largely concerns the environmental influence but normative approach, however, can better provide a guideline for evaluation, and better resource allocation and redistribution. The competing values approach embraces while it may pave a way for higher organization efficiency, it concentrates a great deal on solving disagreeing values (Robbins, 1987). Each of these approaches presents a narrow view of organization effectiveness if applied for the assessment of development plan implementation.

2.5 Planning Organization Capacity and Development Plan Implementation Effectiveness

The development plan implementation requires shifts in human resource development, organization management, and institutional development.

At the individual level, even though it is still necessary that a planning agency needs people from various disciplines and a rational approach to decision making, complexity in the environment and public problems make planners work on teams based on bringing knowledge from different fields to solve problems in a shorter period of time. The diversity of professional, cultural, and demographic features generates different angles on decision-making and possible innovative policy recommendations (Choi & Pak, 2007). A group of iconoclasts no longer works; rather, it is the group dynamics and knowledge and mindset exchange that matter (Choi & Pak, 2007). While working with people from different disciplines, there could be cause for disagreement on means. Thus, collaboration planners should be equipped with communication skills that allow team members to understand each other and to create trust.

At the organization level strategic management is an effective tool to keep the parts of the organization aligned. The governing body must promote the growth of knowledge and the learning ability of the planners by, for example, training and engagement with the scientific community that will eventually transform the planning agency to a learning organization. The organization still needs effective human resource management and development in order to ensure that the planners can accomplish their planning and implementation tasks. However, in order to maintain and enhance the quality of the workforce, adaptive capacity, which is reinforced by the organization's knowledge management system, enhances the ability of self-renewal.

At the institution level ability is defined by the laws, regulations, and relationships with other institutions, particularly with funding organizations to allocate budgets for development priority. An organization that successfully manages its relationships with external actors is likely to gain acknowledgement from development partners, including funding agencies, line agencies, the public, the scientific community, the CSO, the NGO, research think tanks, and international development agencies. This would bolster the capacity of individuals and organizations for resource restraint, and the identification of the choice of service; and interorganizational coordination may be jointly addressed.

2.6 Development Plan in Practice: Thailand and Malaysia

2.6.1 Thailand's National Economic and Social Development Plan

Planning in Thailand began by the U.S. through the development assistance of the World Bank¹. The economic, socio-political environment of Thailand at the time was far from perplex. Even though a vast number of people lived under the poverty line, the natural resources remained fruitful and unexploited. The political system was under a military administration with a high degree of centralization. Planning was done by “technocrats” at the NESDB who read economics in foreign institutions, mainly in the U.S. The NESDB was established on February 15th, 1950 as the National Economic Council (NEC) mainly to provide the government with opinions and recommendations on national economic issues. The NESDB was highly regarded as a think tank due to the knowledge and training received from international assistance.

Planning from the First to the Fourth plans was, hence, concentrated on economic growth. It resulted in modernization and a trickle-down effect to society. The first to the third plan were “blueprints” for planned development. The formulation of the first few plans was free from political intervention, and was directly reported to the prime minister aiming to develop infrastructure (Karnpisit, 1999). They were so-called project-based and sectoral approaches accordingly. The key objectives were to achieve economic growth and to alleviate poverty. The NEC maintained high authority in planning. The government used a command and control approach in the execution of the plans. Subsequent plans followed a program-based approach with details on who and how the programs would be implemented. However, economic growth also resulted in social issues and the deterioration of

¹ The International Bank for Reconstruction and Development was created in 1944 to help Europe rebuild after World War II. Today, the IBRD provides loans and other assistance primarily to middle income countries. The IBRD is the original World Bank institution. It works closely with the rest of the World Bank Group to help developing countries reduce poverty, promote economic growth, and to build prosperity.

natural resources. The NEC required greater cooperation of stakeholders. During the Fourth Plan (1977-1981) the Joint Public and Private Sector Consultative Committee or the JPPSCC was founded. At the beginning of the globalization era the NESDB planners encountered higher complexity in social, economic, and environmental management than before. The Eight NESDP (1997-2001) was barely implemented because the government was entirely engaged in solving the 1997 financial crisis. Consultation with stakeholders took place in different regions and with various focus groups for plan formulation. The major shift from economic growth to people-centered development was seen. The connection between the national plan and implementing organizations at the central, regional, and local level was emphasized and strengthened by laws. During the Eighth Plan the government ministries were required to develop an Annual Administrative Action Plan containing objectives, programs, projects, and key performance indicators in pursuit of monitoring and evaluation. During the Thaksin administration another layer of plan, called the Four-year Government Administrative Plan was created as a channel for government policy implementation claiming to be a demand from the bottom. In 2017 under Prime Minister Prayuth Chan Or-cha's administration "the draft 20-year National Strategy BE. 2560-2579 (2017- 2036) was formulated. The National Strategy Act designated the NESDB as a secretariat to the National Strategy Committee, which is responsible for drafting the 20-year plan and master plans. As a result, the planning horizon of Thailand before 2017 can be said to be only a five-year development plan as attempts to guide the actions of ministries, agencies, and private sector.

In general, the implementation of the five-year national plan in Thailand has two stages. First, the NESDB writes up a five-year plan. Second, the ministry and the government departments and agencies develop a four- to five-year strategic plan. Their strategic plans typically contain the vision, mission, strategy objectives, and key performance indicators based on an environmental analysis and on the strengths and weaknesses of the organization, claiming to have followed the strategic guidelines of the national development plan and sectoral policy and agenda. The program and project to be implemented and the budget requirement each year are prepared and submitted to the Bureau of Budget (BoB) in the Prime Minister's Office annually for

budget allocation. Once the bidding process is completed, the Annual Budget Act will be passed to the parliament and enacted.

2.6.2 Malaysia's Development Plan Implementation System

Malaysian national development planning began in 1947 during the British administration. The Malaysian government drafted its first ten-year national plan covering 1947 to 1956 but political disorder resulted in delays in the formulation. The government again drafted a five-year period from 1950 to 1955 instead. It became the first concrete development planning ever in Malaya. When the Colombo Plan was introduced to the southeast region the Malaya government modified the draft plan again. The official first Malaya Plan covered the period of 1951 to 1957. The six-year Malaya plan was formulated without any basic surveys, sufficient information, or empirical data, and there was a shortage of expert planners. The plan lacked focus and was completed with a rough estimation of the resources required. Subsequently, the government of the Federation of Malaya, the Crown Colony of Singapore and the United Kingdom requested the assistance from the IBDR to develop a plan based on the basis of systematic surveys. The report submitted was the "First Five-Year Plan for the Federation of Malaya" covering 1956 to 1960. Later when Sabah and Sarawak merged with Malaya, the country became Malaysia and the First Malaysia Plan (1966-1970) was formulated. It was the first medium-term comprehensive plan aiming to improve physical infrastructure such as hospitals, irrigation systems, and the unemployment situation. During the implementation of the MP in 1969 the Malaysian government encountered a race riot between the Malays and Chinese influenced by the growth of the Communist Party of Malaya and this led to a declaration of a state of national emergency. The first prime minister, Fisdul Rahman, resigned, and the National Operations Council (NOC) was established as a caretaker government from 1969 to 1971. The NOC developed the Second MP (1971- 1975), the Outline Perspective Plan or OPP (1971-1990), the 20-year perspective plan, and the New Economic Policy or NEP (1971-1990), 20-year economic development policy aimed to address the unequal distribution of income between the Chinese and Bumiput Era. Different long-term plans and policy practices have continued until the present.

Hence, the Malaysian planning horizon comprises three levels, including long-term, medium-term, and short-term plans; namely, an annual budget plan. Although the long-term plan serves as a guideline for the medium-term and short-term plans, the most influential long-term policy statement is Vision 2020 announced in February 1991 by Prime Minister Mahathir Mohamad. Vision 2020 envisions Malaysia “to become a developed nation, in our own mold.” It aimed to turn Malaysia into a fully industrialized country and to quadruple its per capita income by the year 2020. Malaysia will become a fully developed country economically, politically, socially, spiritually, psychologically, and culturally. A developed nation is defined as being fully developed in terms of national unity and social-cohesion, and in terms of the economy, social justice, political stability, the system of government, the quality of life, social and spiritual values, and national pride and confidence (Mohamad, 1991). Subsequently, the National Development Policy (NDP) (1991- 2020) was formulated to accompany Vision 2020. Succeeding prime ministers—namely Abdullah Bandawi and Najib Razak—have also followed the long-term policy practice, including the National Vision Policy (NVP), the National Mission (NM), and the New Economic Model (NEM) implemented alongside Vision 2020 and the MP.

There are various government organizations in the federal administration, so-called central agencies, including the EPU, the Ministry of Finance (MoF), the Implementation Coordination Unit (ICU), which are involved in the formulation and budgeting of programs and projects. The EPU plays a leading role in the five-year plan formulation. The monitoring of the project is carried out by the ICU.

2.7 Related Studies

Recent literature in development planning has advocated the investigation of national planning practices and their progress, how to make central planning work, the evaluation of economic and social impacts without relations to plans, and the factors that influence planners’ ability (Al-Husain, 1981; Ellman, 1983; Stone, 1980; Waterson, 1969). In most cases the studies use a single country case approach.

Waterson (1969) conducted a comparative analysis of development planning of over 100 countries in Asia, Africa, Europe, and America in order to find out what

causes implementation failures for the IBRD. The author argues that the process of planning and plan execution is seamless. Plans may begin with a formulation that guides implementation. When the formulation ends it is the beginning of policy and measure formulation devised with the aim to reach the planned targets. Policies and measures are subject to constant review and modification based on the information gained throughout the execution, and as input for the following plan. The whole process is organic and ongoing. How to measure the success and failure of a national plan is debatable. It is argued that value should be determined using a promotion instrument among government bodies to adopt the identified issues to policies, and to measure and develop programs and projects. Alternatively, success is evaluated according to the realization of the plan targets that are realistically set and appropriate for the conditions, including resources, political authorities, political will, and commitment. Waterson emphasizes that the foundation of plan implementation, particularly in developing countries, is the public administration and politics rather than economic elements. Lacking political support is the fundamental reason for the success of a plan. The author highlights two critical factors that influence implementation success or failure, which are inadequate concentration on execution and the capacity of planners and program and project designers. Technical and human capacity is necessary but not a sufficient condition for effective implementation. Waterson emphasizes that conditions for implementation include efficient resources allocation, the discipline and attitude of the central planning authority, concrete study of public problems and feasibility, and incentives and political caliber. In addition, lack of discipline and coordination within the planning authority and other government agencies is significant to successful implementation because implementing organizations usually compete for power and resources. As a result, communication of the plan's underlying intention and national priority is greatly needed. Waterson underscores the importance of the linkage between the plan and the budget. The author stresses that the budgetary office usually has little understanding of the plan's vision, which makes the plan become meaningless to implementing agencies. Preparatory work should be carried out on projects as it gives information about the nature, size, and scope of promising projects, areas, and the costs of implementation. However, the government typically pays scant attention to

preparation study as it is costly and requires technical knowledge. Planner officials are not accountable for implementation. It is viewed as an arduous task that is the responsibility of various government organizations. Policy choices and means are left to the implementing agencies. Politics and administrative, and institutional and political issues are areas that they have no idea about how to deal with. On the other hand, they rarely take into account possible courses of action suggested by the implementation organizations. Such a view is inappropriate since planning should encompass the feasibility studies, the preparation and execution of programs and projects in the public sector, decisions on measures for stimulating or guiding private investment, and evaluating plan progress. Planning and implementation are sustained by political commitment, particularly of the government leader that influences the attitudes and behaviors of civil servants. In addition, they are critical to strengthening the enforcement of laws and resolving conflicts in the public sector (Waterson, 1969).

Raichur (1973) examined development plan implementation in selected countries. The authors found that implementation largely concerns politics and institutions at the beginning of the formulation stage and institution arrangements. Other factors include the social background of the political party. Implementation is prone to conflict and low cooperation between institutions and interest groups because the plan reconfigures power because development requires a readjustment of power sources.

Amin (1982) evaluated the effectiveness of Indonesia's national development planning agency, BAPPENAS, from 1952 to 1979, and its relation to the effectiveness of development plans. The effectiveness of the planning agencies was evaluated in terms of their ability to coordinate and direct the development activities of the public and private sectors. The author modified and used the Institution Building perspective to analyze the behavior of BAPPENAS. Eight institution variables were, for instance, doctrine, leadership, the nature of the development plans, the extent of the authority of the planning agencies over annual budgets, the legal status of the planning agencies, the administrative location of the planning agencies, the extent of support from political authorities, and the structure of the planning machinery, all of which were tested. The author found that leadership, authority of the planning agencies over

annual budgets, support from political authorities, and the structure of planning machinery were positively associated with the effectiveness of the planning agencies.

Witty (1988) studied the role of the Canadian planning profession. The author found that Canadian planners faced increasing environmental complexity and lacked practical methods from theory to practice. The planners greatly lacked understanding of planning despite the fact that they saw themselves as potential agents by developing strategic intervention.

Baum (2016) studied how planners cope with political pressure from differences in beliefs. The author found that the planner's reaction can be divided into three groups. First, a substantial minority of planners consistently thinks and acts politically. Second, a large group of planners continue to act as technicians to avoid political thinking or action. Third, a significant group of planners is equivocal about politics. The uncertainty about preferred roles may lead planners to choose technical roles over political activism roles. Ruling politicians have indirect and direct coercive power to guide planners in the planning process (Baum, 2016).

Nong (1986) conducted a study to understand the perception of local planners toward planning. The author found that local municipalities in Malaysia neglect the value and needs of their constituent members, which could affect the plan's effectiveness. The author examined the concept of organization effectiveness and found that the goal achievement matrix method can be used for organization assessment and effectiveness evaluation. Organizational variables that affect local planning authority are adequate resources, legal authority, clear, realistic, and non-conflicting goals, an adaptive and centralized structure, sufficient coordinative power, an effective communication channel, behavioral factors, and good leadership.

Laurian et al. (2004) developed Plan Implementation Evaluation (PIE) methodology focusing on the outcome against the plan. The authors note that there are two camps of implementation evaluation. First, it focuses on the outcome achieved against what is stated in the plan, called conformance-based evaluation. Second, a plan should be concentrated on the degree to which the plan is consulted by concerned organizations. The authors argue that the outcome-oriented evaluation is superior. The indicators of plan implementation evaluation are twofold. Breadth is the variety of policies that are implemented through the permitting process. It is measured as the

proportion of plan policies that are implemented at least once, as opposed to policies that are never implemented. Depth is the proportion of policies that are implemented by each permit by using the techniques specified in the plan. It is measured as the average proportion of policies in the plan that are implemented as a proportion of all policies that address the issue of interest.

Brody and Highfield (2005) argued in the study entitled “Does Planning Work?” in wetland development in Florida that the plan was used as a blueprint. However, it should comprise a set of directives that are adopted through a participatory process in which participants anticipate conformed outcomes. A comprehensive plan, however, should be updated and modified over time. A plan contains specific policy and plan implementation policy that are correlated with the higher extent of plan implementation. The authors developed a concept measurement for evaluation. The first dimension is nonconformity, which is measured using the GIS technique to identify hotspots and clusters of implementation. The second dimension is plan quality, which comprises two major components—environmental policies, which are a general guide to decisions about location and type of development—and plan implementation. It represents commitment to implementing the final plan in the future. Implementation of indicators are, for example, the following: 1) a clear designation of responsibility for implementation; 2) sanctions for implementation failure; 3) a clear timetable for implementation; 4) regular updates on procedures and plan assessments; 5) identification of costs or funding; 6) monitoring of plan effectiveness; and 7) monitoring policy responses to new scientific information. The conclusion drawn from this study was that the designation of responsibility for implementation, suggested funding mechanisms, requirements for regular plan updates, the existence of monitoring ecological processes, and monitoring indicators must be present so that authorities can respond to new information. Strict sanctions for failure in implementation requiring policies and the monitoring of plan effectiveness are highly correlated with higher extents of plan conformity. The authors proposed that future study should be pursued in the form of comparative analyses because it would provide a better understanding of overall planning effectiveness and the factors driving plan conformity could be focused on (Brody, Samuel, & Highfield, 2005).

2.8 Independent Variables and the Moderator Variable in this Study

Based on the review of the literature, the variables in this study were drawn from three major sources:

- 1) Planning theory, including centralized economic planning, development planning, and collaborative planning
- 2) Organization theory
- 3) Capacity assessment of the developmental organization, and
- 4) Politics

Planning literature includes national development planning, planning skills, and related studies. The review of organizational capacity was drawn from scholastic works and those written by international organizations, for example, the United Nations' agencies, the United States Agency for International Development (USAID), and the International Development Research Centre (IDRC). The literature on strategic management, knowledge management, and stakeholder theory were also reviewed in order to build constructs for measuring the capacity of planning organizations.

The following discussion presents seven variables at three levels of capacity—namely, the institutional, organizational, and individual levels—that influence national plan implementation effectiveness defined as development outcomes.

Institutional capacity

A planning organization needs authority, autonomy, and advocacy in order to complete its roles. Authority determines the relationships and interactions with organizations within the government and outside the government sphere. Autonomy curtails preference and vested interests of actors in the political system. Advocacy from constituencies helps the planning organization to validate and make as informed decisions as possible where the organization's mission is fulfilled and profiled for stakeholders and partners. The planning organization can secure funding and acquire necessary resources and knowledge. A clear relationship between concerned organizations lessens conflicts and enhances performance in planning and implementation. More importantly, it identifies knowledge gaps and fosters the conception of knowledge within and across disciplines.

This study considers that authority, autonomy, and advocacy can be achieved using a designed structure and organized system through, for instance, legislation and organization policy, established linkages with other knowledge organizations, and the ability to manage stakeholders. Institutional capacity is defined as the capacity to manage the interrelations with implementing organizations, public and private organizations, civil society organization (CSO), think tanks, groups of strategic bodies, and stakeholders through established mechanism and systems for resources and knowledge exchange throughout the planning cycle. Institutional capacity is assessed according to three dimensions: institutional arrangement, inter-institutional linkages, and engagement with stakeholders.

2.8.1 Institutional Arrangements

Implementation requires formal organization, formality, authority, and mechanisms to ensure the cooperation of related parties and consolidation of programs and projects. Having institutional arrangement in place, planning organization know when and how to interact with other organizations and stakeholders, and with whom. They are points of reference for managing relationships and call for actions needed from those relationships.

Institutional arrangement in this study is defined as the policies, procedures, and processes that the planning organization has in place to formulate, implement, monitor, and evaluate the results of the national development plan. In other words, it is the authority of the planning organization to manage the development plan through legitimate and well-organized mechanisms and systems (United Nations Development Programme, 2008a).

2.8.2 Institutional Linkages

Access to new sources of knowledge is a critical benefit of social capital (Anand, Glick, & Manz, 2002; Baker, 2000). Knowledge transfer is aided by rigorous social interactions of organizational members (Inkpen & Tsang, 2005; Lane & Lubatkin, 1998; Yli-Renko, Autio, & Sapienza, 2001). The interactions of the organization's members can be enhanced through institutional linkages purposefully or naturally created by communities of interest. A linkage can be formal rules, shared

strategies, or regularized patterns of interaction. It can also be formalized institutional linkages, or through informal communication patterns or networks between actors within different organizations (Heikkila et al., 2011). Formal linkages are very institutional in nature and are characterized by written goals and procedures—all participants know their own and other actors' responsibilities. Informal linkages rely on personal contact among the members of various organizations, for example, state agencies, NGOs, international organizations, and professional or interest groups formed and driven by mutual needs (Farrington, 1997). These networks generate knowledge and reciprocal exchange of information through interactions on a regular basis. They are more effective in terms of technology diffusion (Farrington, 1997; Valente, 1995) and deliver more desirable effects regarding problem solving, knowledge exploitation, and innovation due to fewer boundaries within or between organizations (Allen et al., 2007). There are several channels for linking across organizational borders such as associations, partnerships, members, or networks (Inkpen & Tsang, 2005). Although the formality may be less effective, it is necessary that an organization establish relationships in an appropriate climate that allows knowledge flow between workers and the movement of human resources (Inkpen & Tsang, 2005).

Lusthaus et al. (1995) explained that knowledge exchange manifests in a variety of forms. A network is a group of individuals or organizations that share mutual interests and exchange information or resources. It enhances problem solving capacity. Membership refers to network members sharing common problems or objectives that are gathered to define an approach to solving mutual problems that may require formal or informal training. The structural unit can be in the form of coordinator, steering committee, and advisory group that act as a point of communication, manage resources, give directions, and identify shared interests and research agenda, as well as the means to respond to them while trying to promote a climate of trust among members. A partnership is comprised of like-minded organizations joined together to share resources in various forms, such as consortia and alliances to realize common goals and objectives. External communication is, for instance, journals, newsletters, and annual reports with key actors and constituents (Lusthaus et al., 1995).

This study asserts that planning organizations should bridge themselves between scientific and technical personnel in order to increase the ability of the organization to innovate. Therefore, the planning organizations need to seek and maintain good relationships with like-minded individuals or beyond with knowledge organizations.

Institutional linkages are defined as a point of regular patterns of interaction or cooperation (Heikkila et al., 2011) between the planning organization and the public organization, the private association, the CSO, and think tanks and international organizations through formalized institutions, such as shared rules and strategies that facilitate knowledge and resource exchange, and the identification of preferred roles and choices of service within various forms of networks (Lusthaus et al., 1995). Institutional linkages form functional interdependency between different actors or collective bodies. The point of interaction or cooperation may be memberships, associations, partnerships, member, or networks (Inkpen & Tsang, 1995; Lusthaus et al., 1995).

2.8.3 Stakeholder Management

In a mixed economy, a national development plan serves as a general guideline for government interventions that can come in different forms, for example, fiscal, monetary, and welfare policy. Countries like Thailand and Malaysia develop the national development plans that not only contain aspirational statements but are a signal to the market. They are parameters and points of reference for implementing organizations to come up with a policy mix that can affect individuals and interest groups.

Thus, stakeholder engagement results in a more correct understanding for the government to make informed decisions (Lauber, 1999; Miller & Rivera, 2011; Orr, 2014; Rudolph & Evans, 2005; Ruscio, 1996). Increased participation of the public and stakeholders not only raises a chance of policy success but also improves legitimacy and acceptance because trust and conflicts usually affect the decisions of the public and stakeholders in terms of participating in government activities (Orr, 2014; Ruscio, 1996). Respectful discussion should be carried out by careful and

interested listeners and with the solicitation of different viewpoints. When common interests are mutually recognized, trust is acquired (Orr, 2014; Ruscio, 1996).

Freeman (2010)'s definition of the stakeholder is "those groups and individuals who can affect or be affected" by the actions connected to value creation and trade". Thompson (1967) defined the stakeholder as "any group or individual who can be affected or is affected by the achievement of organization's objectives."

Stakeholder theory is managerial and recommends the attitudes, structures, and practices that, taken together constitute a stakeholder management philosophy ... Stakeholder management requires, as its key attribute, simultaneous attention to the legitimate interests of all appropriate stakeholders, both in the establishment of organizational structures and general policies and in case-by-case decision making (Donaldson & Preston, 1995).

Post, Preston, and Sachs (2002) define stakeholder management is the "development and implementation of organization's policies and practices that take into account the goals and concerns of all relevant stakeholders." The author argues that the stakeholder view is too concentrated on direct constituencies such as investors, employees and clients. The author further argues that the management of stakeholder can be institutionalized in a number of ways including the following: identification of the organization's stakeholders; formal plan of policy for stakeholder participation; the establishment of devoted divisions in order to understand social and political concerns and to take them into account; codes and guidelines for social responsibility; ethical discussion of practices and stakeholder sensitivity; devoted resources such as staff for external communication and data collection involving executives and external participants; and a responsible individual or unit to manage stakeholder relationships. Successful management of stakeholder relationship requires skillful staffs. Skills include listen and responding, negotiating and environmental scanning, issues forecasting, analyzing and impact assessment within open and transparent atmosphere (Post et al., 2002). The authors conclude that stakeholder management comprises 1) identification of the stakeholders and understanding their potential impact on the success or failure of the organization; 2) specification of

desired goals in each stakeholder relationship such as loyalty, efficiency, and cooperation and contributing factors; 3) the development of opportunities for common benefits; and 4) monitoring and balancing inter- stakeholder relationships.

This study adopts Post et al. (2002)'s concept of stakeholder management. It incorporates both structural and cultural perspectives of managing the relationships with stakeholders. According to Post et al., the stakeholders of planning organizations derive from three views: resource-based, industry structure, and the societal-political environment. The stakeholders of the planning organization can be seen below. The figure captures most of the stakeholders that may influence the organization's success or failure, but the list is not exhaustive.

Table 2.3 Stakeholders of Planning Organizations

	Resource Base	Industry Structure	Societal-Political Environment
Planning organization	• Employee • Bureau of Budget/ Ministry of Finance	• Implementing organization both central and regional/state levels • General public • The supply chain focuses on human resources, productivity, and technology.	• Political executives • United Nations agencies and the World Bank, etc. through cooperation for planning and sectoral knowledge and technology transfer • CSO • Activist • NGO • Think tank

Stakeholder management in this study refers to the development and implementation of the organization's policies and practices that take into account the goals and concerns of all relevant stakeholders.

Organizational Capacity

For the last two decades the public sector has absorbed several concepts of management from the private sector, including, for example, strategic management as it is believed to help organizations realize their expected strategic outcomes, and provide clear and understandable guidance that facilitates a transition between design and implementation. A shared understanding of where the organization is headed and how its expected role has evolved influence individuals in considering the gaps between existing and future roles, and what capacity is required for the organization's achievement. Hence, the organization's vision must be translated into strategic plans and operationalized by functional systems such as human resources, financial, and knowledge and performance management. On the other hand, the organization itself cannot reassess its capacity. It, however, provides a system where the individual can self-renew and reevaluate his/her knowledge against the organization's strategy and identify what is required to fill the gap. However, this study was not able to investigate all of the organization's functions due to limited resources and data accessibility. Organization capacity is defined as the capacity to manage resources internally and with self-renewal. Self-renewal is the organization's learning capacity that determines the ability to adjust itself according to the demands of clients, including public and implementing organizations, and shifting contexts and relevant trends.

2.8.4 Strategic Planning

In a dynamic political environment and institutional environment, public organizations need to constantly ask themselves how to strengthen themselves vis-à-vis the external environment and clients. The context of the organization's mission, mandate, values, vision, and overall strategy must be clearly defined in order to enhance the capacity to survive. Even though the terms strategic management and strategic planning are studied and commonly agreed as a means to improving the organization's performance, the two terms are not interchangeable.

Bryson (2018) argues that strategy helps the public organization adjust to changing contexts that affect the organization's design, its finances, management, and performance and accountability. Strategic management defines the short- and long-term direction and ability in the context of the changing internal and external environment (Galloway, 1990). It is a central management process that attempts to ensure that major functions, management processes, and activities support the organization's strategic agenda in a systematic, coherent, and effective manner, and can provide monitoring and signal the need to revise an organization's strategic objectives. Successful strategic management entails an assessment of the organization's capacities in such areas as managerial capability, power structure, culture, leadership, and organizational structure (Poister & Streib, 1999).

Strategic planning is an essential part of strategic management (Poister and Streib, 1999). It is a process that defines the organization's long-term direction and includes a vision statement describing where and what an organization wants to be. A strategic plan is developed and constantly updated to keep it current and to be an effective influence on other management processes (Galloway, 1990; Monahan, 2013; Poister, Theodore H. and Streib, 1999). A clear vision of what an organization wants to become must be communicated as an element of strategic management to both internal and external audiences. It must be collectively and continuously managed by strategic management groups, including the chief executive, top-line managers, and key executive staff or administrators from different operating departments. The group takes a leadership role in the provision of structure for developing and updating strategic plans and for guiding their implementation, discussing strategies, monitoring progress, evaluating effectiveness. It identifies emerging strategic issues and modifies strategies or makes decisions on new strategic initiatives when needed (Poister, Theodore, & Streib, 1999).

Implementing responsibilities and necessary resource, including budgets, must be coherently allocated to particular programs, projects, or activities that advance the strategic agenda. In order to promote commitment to implementing strategies, the strategic management group can establish clear lines of accountability for implementing strategies and managers at all levels of the organization (Bryson, 2018). Taking everything into account, the leaders with leadership skills involve staff and

stakeholders (Bryson, 2018; Galloway, 1990; Monahan, 2013; Poister, Theodore H. and Streib, 1999) in shaping a vision, and building commitment to strategic objectives with emphasis on organizational resources and energy. While physical resources such as strategic planning staff drive strategic agenda, intangible forces, particularly time spent by the CEO and other key managers in the planning function, are critical to the organization's long-term performance (Ramanujam, Venkatraman, & Camillus, 1986).

Ramanujam et al. (1986) argue that effective strategic planning system requires the use of techniques and methodologies that will managers better define strategic problems and solutions. The degree of techniques and methods determine the extent of the comprehensiveness or incremental approach of the strategic planning process. In addition, attention to external facets, such as the analysis of the external environment, and opportunities and threats, is required. Top management support, budget and strategic planning staff, and dedicated time in the strategic planning process are vital resources for strategic planning.

Kriemadis and Elena (2007) proposed five models of strategic planning where the degree of complexity varies according to the objectives and techniques used. The models are as follows. First is the basic strategic planning, which is usually carried out by top-level management. The strategic planning process includes identification of the mission statement, goals and major issues, investigation of the internal and external environment for strategy formulation, action plans for each implemented strategy with responsible departments, and monitoring and plans modification. This is appropriate for small, newly-formed organizations. Second is issue-based or goal-based planning, which includes SWOT analysis, identification of issues and goals, the design of major strategies (or programs), a designed/updated vision, mission and values, formulation of action plans, documentation, development of an annual operating plan document, allocation of the budget, implementation, and monitoring, reviewing, evaluating, and updating the strategic plan document. Third is the alignment model, which assesses what works and ascertains new approaches to modify the organization's strategies. This is appropriate for organizations that need to fine-tune their strategies and functions when facing major issues. Fourth is scenario planning, which means getting people to think about and prepare for future changes

that might affect the organization. Changes may include regulations and demographic changes that present different scenarios and what could be the common and the most reasonable strategies to deal with them. Five is organic planning, which relies on analytical techniques to develop strategies through dialogue to arrive at visions and common values. Using the strategic planning method such as SWOT analysis improves the organization's understanding of itself and defines agreed-on strategic initiatives. Scenario planning broadens perspective and a meaningful future that helps an organization to link macro issues and their impact on strategy and strategic functions. SWOT employs fewer complex processes and is widely subscribed to (Dyson, 2004).

Vila`Joaquim and Canales (2008) have argued that effective strategic planning concerns managers at different levels to communicate the rationales and benefits of strategic planning to organization members. Middle managers are central to translation high level strategy, priorities and goals to operational level. On the other hand, top management acts as a facilitator during the formulation stage and coaches in the implementation of strategic initiatives.

In this study, strategic planning comprises design elements and the organizational context. The design elements focus on system capability and the use of techniques. The chief executive of the planning organization is able to identify and explain the rationales and benefits of strategic planning and describes the macro context that an organization is facing to the organization's strategic planning group. He or she provides space for middle managers to participate in the strategic planning process; and he/she takes the role as facilitator during the formulation stage and coaches in how strategic initiatives should be implemented by using upward and downward communication and across operational areas. The degree of techniques and methods determine the extent of comprehensiveness or incremental approach of the strategic planning process. Strategic planning is defined as a process that sets the organization's goals, vision, mission, and strategies through a formal planning process where the chief executive and middle managers work together in identification of the organization's approach, its operational system, and resources to ensure that the organization still fits the changing environment. The monitoring and evaluation of

performance, external feedback, and the reward system are linked with the strategic agenda and the predetermined goals.

2.8.5 Knowledge Management

Gomez (1994) have argued that the adaptability of coping changes is the bottom line of an adaptive organization. A planning organization as a knowledge organization needs to prepare its organization's members with knowledge and skills in a short time in order to improve the organization's performance in dealing with pressing demands and environments. Knowledge management theory views people as an asset with entrenched tacit knowledge and values. Knowledge management can improve efficiency, and make professionals learn more efficiently and more effectively. It creates a better foundation for making decisions; improves communication between knowledge workers; enhances the synergy between knowledge workers that partly helps retain knowledge workers to stay with the organization (Beijerse, 1999).

Alavi and Leidner (2001) Knowledge management systems is "a class of information systems applied to managing organizational knowledge. That is, they are IT-based systems developed to support and enhance the organizational processes of knowledge creation, storage/retrieval, transfer, and application."

Minonne and Turner (2009) argued that KM must be established, implemented, and managed in an integrative manner as it is vital for sustainable development. In this study, the assessment of KM uses Minonne and Turner's (2009) knowledge management monitor (KM2) model, which evaluates the KM performance of the studied planning organizations. Successful KM derives from the integration of KM organizational learning management (OLM), organizational knowledge management (OKM), and intellectual capital management (ICM) as embedded elements of the organization's culture and operation. KM is evaluated according to four dimensions: culture, organization, method, and process integration—exhibited in different facets of an organization.

Culture integration means a KM change organization culture that is information exchange oriented. Common practices are, for example, after-action reviews, job rotation, and communities of practice.

Organization integration is the organizational structure designed to support the management of the organizational knowledge base. Collaboration between departments and minimized hierarchy within the organization are benefited from changes in structure. Common approaches are centralization, decentralization, and responsibility centers.

Methodological integration is KM applied to the operation system, which includes knowledge work processes that are intense in terms of enhancing organizational performance regarding quality, productivity, and innovation gains. Some common practices are skill inventories, and mentoring and document management.

Procedural integration is the application of KM to business processes throughout the organization's value chain so that it becomes an integral part of the intra- and inter-organizational workflows in order to achieve continuous business processes, processing time reduction, and the avoidance of work redundancy (Minonne and Turner, 2009).

However, Minonne and Turner do not exactly explain the order in which the types of integration should occur. It is believed that KM effectiveness begins with methodological, procedural, cultural, and organizational integration.

KM is defined as the ability to store and use information to improve the organization's culture and work process through organized systems that increase the flexibility and adaptability of the organization.

Individual capacity

Individual capacity in this study refers to the skill and knowledge of the planning officials in the national planning organization that meet the organization's mission. The skill of an individual is usually characterized by hard and soft skills. Hard skills, for example, econometric and public policy analysis, can be learnt by training. Soft skills are less tangible. However, they are difficult to measure and include, for instance, listening, communication, persuasion, and problem-solving abilities. It is argued that while academic competence is a necessary but not sufficient condition for solving conflicts in context that demand a participatory style of problem solving, the government needs to listen to demands and be open for collaborative analysis as well as co-creation in policy (Galloway, 1990). Reliance on formal

communication platforms such as meetings neither improves communication nor trust. Rather, it derives from responsive interaction and the genuine interest of the government. Planning organizations need a pool of experts that can jointly identify public problems and make decision on policy alternatives in an innovative and timely manner. Being a bureaucratic type of organization, however, can be an obstacle to collective problem solving and the accumulation of resources.

Therefore, the skill set of planning officials in this study was shaped according to the aforementioned guiding principles. First, planning officials should have the capability to understand problems and their context, who are the targeted beneficiaries and their concerns, and should have compassion. Second, they should possess the knowledge and skill to explore problems and design appropriate solutions. As noted previously, academic competence remains vital. Therefore, this study also proposes a research design skill that enabled the data to be collected in a methodological way, thus contributing to better analysis and decision making.

2.8.6 Skill Set

The participation of stakeholders and actors in plan formulation helps to reduce conflicts and delays in implementation. Thus, planning officials need to have more than sufficient data and a genuine understanding of public concern, problems, and their context. Data must be systematically gathered through designed strategy. On many occasions planning officials are called upon to explain the problem and possible policy alternatives, both “upstream” and “downstream.” Good communication conveys ideas to constituencies, colleagues in implementing organizations, and policymakers and development partners. Planning officials play an intermediate role that connects the policymaker, the targeted beneficiary, the stakeholder, the actor, and the public. Seltzer and Ozawa (2002) have argued that planning officials need to communicate well and to be able to work with diverse groups both within and outside the agency. Planners that are unable to obtain insights into the beneficiaries, stakeholders, and actors cannot assess or identify the problem correctly or design a proper solution. As a result, planning officials that can communicate in a clear, concise, persistent manner, and ruthlessly explain necessary conditions and

procedures, build understanding and confidence. Collaboration in execution is thus likely to be escalated.

In this study, the skill set necessary for planning officials focuses on the soft skills that are considered fundamental as a development planner. They include writing, interaction, and research design.

1) The Writing Skill shapes a good planner (Laurian et al., 2004; Ozawa & Seltzer, 1999; Schon, Cremer, Osterman, & Perry, 1976; Witty, 1988). Good writing skill improves the implementation of plans in the long run (Laurian et al., 2004). Quality writing can communicate critical information and gain the reader's attention. It inspires public confidence in the writer, the message, and in the organization. Writing skill compliments research in the environment of the team, the organization, and the interorganizational network in which planning take place. The writing skill is the ability to write clear and precise findings, plan and evaluation reports, and press releases for the general public (Schon et al., 1976). The writing skill is defined in this study as the ability to write a clear and precise development plan, evaluation reports for political decision-makers, and implementing actors and the general public.

2) Interaction is critical for development planning officials because of their intermediate role in the process of policy analysis and promoting implementation requiring proficiency in managing power relationships when interact with their encounters (Schon et al., 1976). It, however, is not limited to the formal setting. Innes (2013) argues that the interaction with stakeholders that takes place before, during, and after formal events creates agreement on values and goals. Communicative planners understand the context of interactions and try to use appropriate language in their encounters. Identification of concerns is done with sensitivity. Interaction proceeds in a humble, reliable, and robust manner, propelling a sense of genuine interest in the individuals' views, interests, and in the circumstance. During the process of solution finding, communicative planners are transparent about the procedures and reporting results to those that are involved in problem analysis (Reeves, 2016). Such characteristics generate trust, which leads to cooperation in analytical activities and implementation. Interaction defined in this study is the ability of planning officials to work in humble and transparent manners with members of

implementing organizations at different levels in defining problems, possible options, and how and who will execute the selected policy. Members of the organizations that are associated with the planning official have trust in the planning officials.

3) The research design is a strategy that helps planners identify the condition and degree of a problem. When a problem is identified, approaches to data collection that are suitable for the research question, unit of analysis, sample size, where and when to conduct a research, and how to analyze are planned. The findings from research is evidence for policymaking or for unearthing the results of implementation. For national development planning, the research design helps to improve the understanding of a public problem as sophisticated facts and data are uncovered and analyzed in relation to theory and concepts are drawn. The cause and its relationship with variables are logically located in order to provide policy options. Problem identification might come from different sources, such as existing literature, funding agencies, or the values of the social group. Having access to literature allows planning officials to review the existing knowledge and helps to ensure that the hypothesis about a problem is relevant and valid. Good research design should present these characteristics. First, the research question should be clear and designed to add to existing knowledge about the subject of interest. Second, the design and conduct of the study should explain in detail how the data will be collected, analyzed, managed, and made available to others. Third, the research team should have all the required skills and experience to carry out the proposed research or through collaboration with specialists in relevant fields, if needed. Skills include, for instance, research methods, data collection techniques, and understanding of research issues and areas. Fourth, resources in terms of people, time, and money should be sufficient to accomplish the research and to meet all of the relevant standards. Fifth, the assessment of ethical and risk issues and conflicts of interest should be undertaken and resolved prior to the research. Even though planning officials may not need to meet all of these requirements compared to researchers, a good research design increases the reliability and credibility of evidence-based policy analysis. Schon et al. (1976) argues that the research design should be viewed by two separate interconnected dimensions—research and design. Research is the ability to design a framework for problem solving by identifying, analyzing, and assess the degree of the problem and its effects

by revision of the situation and pertinent theories. Design is the ability to analyze and propose alternatives for problem solving and choosing the one that will generate the desired results with the fewest effects possible (Schon et al., 1976) This study views research design as an inclusive activity. Research design is defined as having the skills and experience to formulate a problem and plan and how to best answer a series of questions for formulation of the development plan in a structural, ethical, and transparent manner.

2.8.7 Moderator Variable: Political Stability

Even though it is common to add political condition as a variable of study to understand more about a country's development and growth, there are different schools of thought about the relationships among political regime changes, coups d'état, changes of power and forms of government and economic growth. This study is not an exception. It is assumed in this study that political stability, democracy, and economic growth are related. A country with political instability tends to have lower economic growth (Alberto, Ozler, Roubini, & Swagel, 1996). Political stability may not have a direct effect on the capacity of the planning agency or the effectiveness of development plan implementation, but its characteristics influence the magnitude of the relationship between capacity and effectiveness.

Political stability means a predictable political environment, capable of attracting investment, both internally and from the rest of the world (Radu, 2015). Political stability means a predictable political environment that is key to growth. Shepherd (2010) argues that political stability is not a well-defined concept. A stable government means that a government stays in power for a full election period and has a majority in the parliament. While a stable political system means that governments change legally according to a constitution. Political stability influences institutional capacity, which is fundamental to industrialization and economic transformation as the political will determines efficiency promotion, putting right mechanisms in place, and human resources and skill for development policy and implementation (Doner, 2009).

Alberto et al. (1996) define political instability as the propensity of change in the executive, either by "constitutional" or "unconstitutional" means. The uncertainty

associated with an unstable political environment may affect investment and the speed of economic development. The authors assert that political change leads to uncertainty regarding many things that affect investors' decisions because they are uncertain about policy continuity, the targeted sector and beneficiaries, changes in rules and regulations, and the actors and cost of doing business that results in changes in investment and relocation, as they prefer a more stable and predictable environment. In democratic countries it is found that high growth in pre-election years relates to a reelected government. However, democracy comes with a cost due to the number of interest groups, actors, and short-term policy gains. The present administration will do anything to make sure that there is positive public perception of its management. In non-democracies there is evidence that countries that can maintain the level of GDP per capita and its rate of growth are likely to have fewer coups d'état. In addition, constant change in government results in speculation about uncertainty and rent-seeking activity among pressure groups. It can be concluded that the propensity of coups d'état affects growth. Political instability reduces growth regardless of regime. On the other hand, inequality may lead to political unrest. Growth, political instability, and income distribution are jointly endogenous (Alberto et al., 1996). There are three types of change: irregular government change, major regular change, and minor change. Irregular government change is regime-level change where the regime, norms, types of party systems, and military and civilian status change. Major regular government change is within regime government change where voters choose a new government when economic management performance is not satisfactory. Minor regular change within the regime government is where policy adjustment takes place during the time that the government is in power, which is a favorable condition for government policy continuity as long-term economic plans can be formulated and implemented without disruption. Such a condition removes interests in short-term policy gain and creates confidence in the private sector, where risks of policy shifts are low. In non-democratic countries, politics is either shaped by irregular government change where sequential coups d'état take place or is governed by the same party for a decade (Feng, 1997).

Although scholars conclude that democracy has an effect on economic growth and the popularity of government, there have been arguments that for developing

countries, bureaucratic authoritarian states, among others, including authoritarian, traditional authoritarianism, and populist fascism, are more efficient in allocating and utilizing resources than democracies (O'Donnell, 1978). The bureaucratic authoritarian state is usually characterized by higher government positions occupied by former successful heads of public organizations, armed forces, and private enterprises; corporatist restraint; minimization of selected popular economic sector participation; and depending on capitalism where foreign investment and capital are secured (O'Donnell, 1978).

Bussière and Mulder (2000) also contend that political instability is related to economic crisis. The authors explain that the 1997 crisis originated in Thailand as a result of the political vulnerability of a coalition government with six parties. Countries with weak macroeconomic fundamentals are subjected to political stability, but countries with a sound economic environment are less affected by political instability.

In this study political stability considers both government and political aspects. Political stability is defined here as a predictable political environment where the propensity for change in the executive branch, either by constitutional or unconstitutional means, is unlikely.

2.9 Linking Performance to Conformance: Evaluation of Development Plan Outcomes

This study argues that a five-year national plan is necessary but not a sufficient condition for realizing development goals. National economic planning requires both bureaucratic and development approaches and is fundamental for a central planning agency to implement plans. There are two approaches to evaluating national plan effectiveness conformance and performance approaches. The conformance approach rests on outcome achievement but it is difficult to establish a causal explanation of outcomes and policy. Following a conformance approach alone, whether quantitatively or qualitatively, it will cause additional vagueness in the field. Therefore, the results from the capacity evaluation that is based on performance approach are analyzed with development outcomes using selected international

indices in order to explain the relationship between the capacity of the planning organizations and national development outcomes by using GDP per capita, the GINI index, and the International Institute for Management Development or IMD Competitiveness Ranking, and the UNDP Human Development Index.

There are a number of outcomes that national five-year plans address or are referred to as the analytical background and rationale for determining trust and strategy. The reason that indices do not directly measure the capacity of planning organizations is that the cases have different priorities and use different sets of indicators at different periods of five-year plan implementation, which influence substance, trust, and strategy, and planning approach. Another reason is that these indicators change their methodology and data collection strategy over time, which results in different rankings that need to be paid attention to regarding their method and analysis rather than looking at the overall results in general. Thus, there would be bias if they were used against the cases across the period of the study. The indices were selected based on two reasons: 1) they are used as target or as part of the situation review as a foundation of trust and strategy determination in the plans under investigation of this study; 2) they reflect the achievement of economic and social inclusiveness and government efficiency, which are enablers of national development. The development outcomes are GDP (PPP) per capita, and the GINI index, which measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality; the Institute for Management Development or IMD's Competitiveness Ranking and the UNDP Human Development Index.

2.10 Conceptual Framework

The assumption for constructing the conceptual framework is summarized in the following.

1) There has been a paradigm shift from comprehensive planning to development planning whereby the participation of development partners, stakeholders, and various groups in planning and implementation is critical.

2) Even though the function of a national plan is questioned in terms of its relevancy in a market economy, the planning agency is still anticipated by the government in developing countries in order to maintain the role of visionary thinkers and advisors for government-informed decisions and for retaining the alignments among programs, projects, and the national plan.

3) After the 1997 Asian financial crisis there were significant changes in development context, such as macroeconomic management, political movement, civic participation in government decisions, as well as public administration where New Public Management or NPM has been adopted in Thailand and Malaysia. Globalization demonstrates the need to shift from economic growth to a development approach where the capacity of the national planning agency needs to be essentially changed if it wants to deliver outcomes for the national plan in an effective and sustainable manner.

The conceptual framework—the development plan implementation evaluation model—is proposed in order to evaluate the capacity of the national planning agency. This model was developed based on the “performance-based approach;” that is, in the planning process, a plan is referred to and consulted in the decision-making process by bureaucratic organizations. It is believed that the national five-year plan is no longer a “blueprint.” Rather, it is a process that has gone through different consultations and negotiations that require the obligation to ensure conformity of the program and project and budgeting. In order to connect both approaches, a further analysis is offered to explain the relationship between the capacity and national development outcomes using the selected international indices explained in the previous section.

The model investigates capacity at three levels: the individual, organizational, and institutional levels. Each level is characterized by different sets of capacity as elements of each variable as follows.

Independent variables are as follows.

- 1) Writing skill
- 2) Interaction
- 3) Research design
- 4) Strategic planning
- 5) Knowledge management
- 6) Institutional arrangements
- 7) Institutional linkages
- 8) Stakeholder management

Moderator variable is political stability

The dependent variable is national development plan implementation effectiveness.

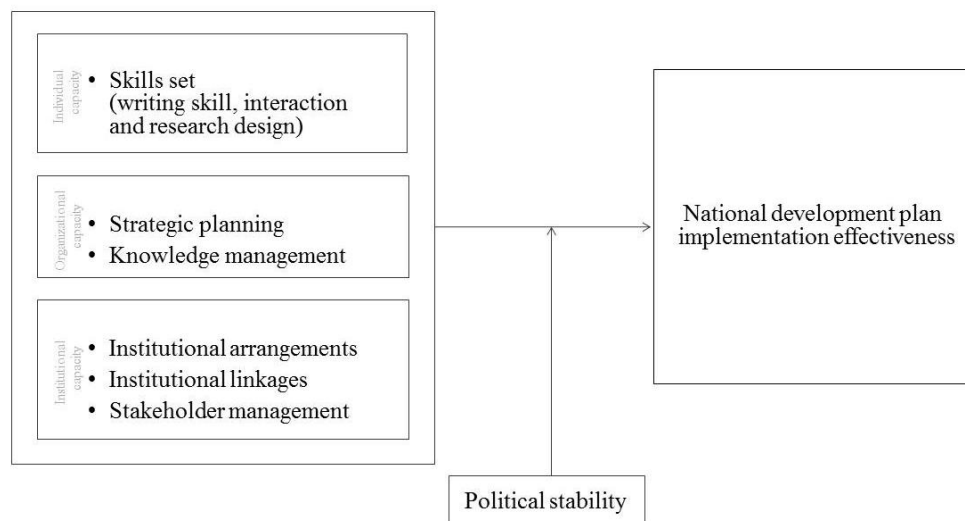


Figure 2.1 Conceptual Framework of the Study

CHAPTER 3

METHODS

3.1 Research Design

Unlike quantitative research that seeks causal determination and prediction, qualitative research concentrates on the exploration of values, beliefs, thoughts, experiences, feelings, and characteristic (Wong, 2008), and reaches an understanding of meanings or a description of things. Allen-Meares and Lane (1990) and Finley & Ballinger, 2006 explain that qualitative research designs use the researcher's frame of reference and data based on the holistic, naturalistic, and unobtrusive descriptions of the uncontrolled contexts, behaviors, and meanings found in the situations (Patton, 2001).

There are various types of qualitative research, such as phenomenology, ethnography, narrative, and grounded theory case study. This study chose comparative case study because it aims to explain the similarities, differences, and patterns of two organizations that have similar missions and that could provide an answer to the research question of this study: "Why are the development outcomes of Malaysia better than those of Thailand in many areas, especially after the 1997 financial crisis?" (Yin, 1994) With such a question it was not possible to use an experimental design. In addition, it was considered to be appropriate because this study involves explaining social reality within the context studied. Also, it allows modification of existing theory through detailed description (Creswell, 1998; Yin, 1994). The findings would be informative for similar organizations and a great addition to planning, organization, and implementation theories.

The study took place in two major phrases. The first phrase was the research design where measures and data collection instruments, sources of data, and interview questions were developed based on a literature review and consultation with experts and scholars in the related field. The second phrase took place before and in field

work where data were collected according to the predetermined design. Trips to Kuala Lumpur for collecting data at the EPU and central agencies such as the ICU and the MoF, as well as other places determined by the informants were made from 2017 to 2019. The data collection at the NESDB took place during and after office hours. The data collection instruments were continuously adjusted to fit the informants' convenience and available resources.

3.2 Data Collection

Qualitative researchers are the instrument and should be embedded in the research sites over time in order to record changes before, during, and after the study, whereas they are required to distant themselves as much as possible from the research process (Patton, 2001).

The qualitative methods, therefore, employed in this study include:

- 1) In-depth interviews face to face and teleconferences via Skype and telephone interviews, serving as the main data collection method for this study
- 2) Focus group discussion
- 3) Document analysis
- 4) Participant observation

3.2.1 In-depth Interview

There are different types of interviews, including informal conversational, interview guides, and the standardized open-ended interview (Patton, 1990). Qu and Dumay (2011) argue that the different types of research requires different interview methods. This study employs a combination of interview approaches. The informal conversational approach was used during the person's work, coffee, or lunch time. From a neopositivist view, aiming to uncover facts, structured interviews are more appropriate as it they are effective in understanding localist perspectives and the social construction of situated accounts. The romanticist view unstructured interviews as favorable. However, the boundaries can be blurry when applied; it depends on the personality of interviewee and the information required.

Prior to interview during the first contact, every participant received a description of the doctoral research, the author's current profession, as well as the

organization that the author is associated with. Even though structured open-ended questions are sent to and agreed by the participants, in real life interviews cannot be a fixed format, especially when the informants are currently or former high-level official. Semi-structured interviews allowed the present author to get “war stories” from them. Furthermore, engaging in natural conversation opened up an opportunity for the author to use the snowball technique to extend the list of targeted informants, particularly in Malaysia where the author is not originally from. Guided open-ended questions later were used in several interviews. A list of the guiding questions were sent via e-mail or hardcopy beforehand. Given the locations of the study telephone interviews were also used for the Thai participants that were not in Bangkok, and Malaysian participants that were not in Kuala Lumpur or Putrajaya. Even though this may have reduced the quality of the data collected because of the lack of observation, a few text messages and phone calls were made to make the participants familiar with the topic of the research and to be familiar with the author while being interviewed.

3.2.2 Focus Group Interviews

The use of focus group interviews in this study generated detailed data on how the participants felt about a given topic and why (Rabiee, 2004). The participants were purposively sampled on the criteria, including age range, socio-characteristics, and comfort in speaking with the interviewer and to each other.

3.2.3 Document Analysis

Documents are a systematic procedure for reviewing or evaluating documents that can come in the form of printed and electronic documents containing text or images without the researcher’s intervention. The virtue of document analysis is that it is a means of triangulation, particularly in the case study research (Bowen, 2009). The documents included meeting memorandums, official records, government orders, minutes of meetings, presentations, studies, report, books and academic journals, and newspapers and survey data.

3.2.4 Participant Observation

This research employed participation observation at the NESDB as the researcher's current position is a policy and plan analyst attached to the Secretary General's Office; this was accomplished in an unobtrusive manner during the interviews. The researcher's observation can be divided into three separate parts and contexts. When the author's career at the NESDB was begun in February 2011, she was posted to the Competitiveness Development Office for five years. During the post on several occasions the researcher attended workshops and sub-committees for the NESDP formulation meetings. She also joined an economic strategy writing team for the Eleventh NESDP. She also participated in the Twelfth NESDP formulation workshop while on a doctoral study leave.

The second part took place in July 2017 when the researcher's study leave ended. Immediately after going back to the office, the researcher was asked to transfer to the Development Evaluation and Communication Office where formulation coordination of the NESDP and monitoring and evaluation activities were their main functions. This is where the author became immensely emerged in the culture of monitoring and evaluation of the NESDB for six months. In 2018 the researcher was transferred to the International Strategy and Cooperation Office, where she was in charge of liaising with international organizations, including the World Bank, the United Nations, the Organisation for Economic Co-operation and Development (OECD), and ASEAN for seven months. The last part of the present author's observation took place in 2019 when she joined the team assisting Secretary General Professor Thosaporn Sirisumphand. Given her current position it was an advantage to observe by staying in liaising background as much as possible. Her role as researcher was not disguised from the participants. Most of her colleagues at the NESDB knew that her doctoral research was ongoing. The topic of the study was explained to the management, a person that was a direct supervisor and those that took part in this study as participants. By attending countless management meetings on several issues, the researcher was able to observe the thinking of the NESDB staff and executives, particularly what they saw as the organization's strengths and areas to be improved. Additionally, the author gained outside perspectives from having attended meetings joined by high-level officers and ministers.

In the case of Malaysia, because of the geographical distance and time and resource constraints, observations took place in a shorter amount of time than of in Thailand. Nevertheless, the researcher managed to visit several organizations identified as part of the study. She made more than ten trips to Malaysia from February 2017 to August 2019 for the interviews and to familiarize herself with the physical presentation of each office and to understand how they position themselves to the public.

The trips excluded official missions that the author was assigned as a representative of the NESDB to work with the EPU and relevant organizations. Each visit lasted from two to five days. When the researcher represented the NESDB in a meeting of the Planning Community of Practice or the PCOP Steering Committee commissioned and workshops organized by the World Bank and EPU, she was treated as part of the phenomenon rather than only an outside participant, which helped to substantiate the data gathered using other techniques. More importantly, it helped the researcher appreciate the unique culture and behavior of the EPU officials, its strategic position in the political and administrative realm, and international organizations such as the World Bank, especially how they network for national planning and implementation to improve capacity.

Time was time in the libraries and cafeterias of the organizations visited, and the researcher had lunches with her colleagues in the EPU on and off meetings. Museums, galleries, and cafés were also visited to immerse the researcher in Malaysian culture, its national pride, politics, and the role of the state in the country's development.

However, the data collection evolved through context and stories uncovered throughout the research. The total time spent in the field was about two years and six months.

3.3 An Analysis of the Data

The process of analyzing qualitative data largely involves coding or categorizing a large volume of data. The research tries to make sense of the data

collected and then identifies significant patterns and draws meaning to build a logical chain of evidence (Wong, 2008).

The data collected in the forms of field notes and audio were all recorded and transcribed into written texts. ATLAS.ti version 8.4.19, qualitative data analysis software, was used for storing, coding, and analysis. This enhanced the ability to organize and “play” with the data, exploring different possibilities of data analysis and interpretation.

Content analysis was used to enhance understanding of the data and to build a model to describe the phenomenon in a conceptual form (Elo & Kyngäs, 2008). Using content analysis is also critical for the identification of meanings, intentions, consequences, and contexts which eventually enable the interpretation of meaning from the content of the textual data (Hsieh & Shannon, 2005).

3.4 Research Sites

The eligible cases for this study were Malaysia and Thailand. Currently Malaysia is implementing the Eleventh MP, not including the two Malaya Plans before the nation was united. Thailand is implementing the Twelfth National Economic and Social Development Plan or the NESDP.

NESDP is five-year plan prepared by the Office of the National Economic and Social Development Board or the NESDB. The NESDB is a departmental level organization in the Office of the prime minister located in Bangkok. The prime minister usually assigns a deputy prime minister or minister attached to Office of the prime minister oversee the NESDB. In 2018, the NESDB was transformed to the Office of the National Economic and Social Development Council or the NESDC. The governing board was changed to a council. The highest ranking official remains the secretary-general.

The MP is a five-year plan prepared by the EPU. The EPU is a departmental level organization in the Prime minister’s office located in Putrajaya—a governmental city in Klang Valley. The prime minister assigns a minister in the prime minister’s department to oversee the EPU. In 2018, the EPU was absorbed to the newly-established Ministry of Economic Affairs or the MEA. It became a line ministry with

its own minister. The highest ranking official as changed from director-general to secretary-general.

3.5 Unit of Analysis

The unit of analysis of this study is the organization unit. The objective is to investigate the capacity of planning organizations; namely, the NESDB and EPU and their impact on the differences in national development plan outcomes.

In Malaysia, the government system has four tiers: 1) the federal government (the ministries, departments, and government agencies); 2) the state governments; 3) the district governments; and 4) the local governments.

In Thailand, the government system is larger and more complex. It comprises three levels: 1) central administration (the ministries, departments, and government agencies; 2) regional administration (province and regional and provincial offices of the ministries); and 3) local administration (provincial administration offices, and district and municipality administrative offices). These organizations are explored in terms of their roles and relationships with the planning organization in planning and implementation activities.

The first phase was where the research design was detailed regarding indicators, measures, variables, and data collection instruments, and sources of data; and interview questions and gatekeepers were identified. Knowledgeable persons and a panel of experts were consulted to validate the assumptions and to improve the data collection methods and tools. The activities were performed as follows.

3.6 Design of the Indicators and Measures

The indicators were designed to assess the quality of each variable to reflect the capacity of the population of interest. The statements representing the concepts under examination were described for each set of items for different variables. The data collected using various methods were designated into the best fit the description for each indicator in order to analyze and compare the capacity of the two planning organizations.

3.7 Variables in the Study

The review of the literature was mainly from two fields, namely, planning and organization theory. The planning literature included national development planning, planning skills, and related studies. The literature in strategic management, knowledge management, and stakeholder theory was also reviewed in order to build constructs for measuring the capacity of the planning organizations.

The following discussion presents eight variables at three levels of capacity.

Institutional capacity includes institutional arrangement, institutional linkage and stakeholder management.

Organization level includes strategic planning and knowledge management.

Individual level includes writing, interaction and research design.

Political stability is moderating variable which data is based on document research.

Each variable was equally weighted, and each was identified with “groundedness” and density by coding quotations from the documents (transcripts, policy documents, PowerPoint presentations, academic papers, news articles, reports, etc.) Groundedness shows the frequency of the data quoted in a code, allowing a comparison between independent variables. Density is a technique used to explore the relationships among the codes to demonstrate relationships or so-called in the software “network” within the concept or in this study. The details of the steps in the analysis are elaborated in the next chapter.

Institution capacity

Institutional capacity is defined as the capacity to manage interrelations with implementing organizations, public and private organizations, civil society organizations (CSOs), think tanks, groups of strategic bodies, and stakeholders, and to establish mechanisms for resources and knowledge exchange throughout the planning cycle.

Institutional capacity is assessed according to three dimensions: institutional arrangement, inter-institutional linkages, and stakeholder management.

Institutional arrangements

Institutional arrangements are defined as the policy, procedures, and processes that the planning organization has in place to formulate, execute, monitor and evaluate the results of the national development plan. In other words, it is the authority of planning organization to manage the development plan through legitimate and well-organized mechanisms and systems. (United Nations Development Programme, 2008a).

Indicators are as follows.

- 1) Existence of laws and regulations determining the roles and relationships among the planning organizations and concerned public organizations, private sector associations, CSOs, think tanks, and stakeholders within clear planning mechanisms
- 2) Clarity of the planning organization's policies, procedures and processes regarding plan formulation, execution management, monitoring and evaluation (United Nations Development Programme, 2008a)
- 3) Association with public organizations, private sector associations, CSOs, think tanks, and stakeholders in policy analysis (United Nations Development Programme, 2008a)
- 4) Association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation of the development plan (United Nations Development Programme, 2008a)
- 5) Transparent, participatory, engaged dialogue with public organizations, private sector associations, CSOs, think tanks, and stakeholders (United Nations Development Programme, 2008a)

Laws and regulations determine the relationship between the planning organization and the roles portrayed by each public and private organization, CSO, think tank and stakeholder within the planning mechanism. Without such laws and regulations, the planning organization has insufficient authority to coordinate, manage, monitor, or even evaluate the development. The clarity of the planning organization's policies, procedures, and processes of the planning cycle justifies and optimizes the role that each actor should portray. In the contexts where the roles and

actions required are vague it can cause asymmetric information, leading to planning and implementation problems due to fragmentation between organizations. Resources may not be appropriately allocated to programs and projects, particularly those that are of priority. Association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in policy analysis creates opportunities for collaboration beyond planning. Association with policy public organizations, private sector associations, CSOs, think tanks and stakeholders in five-year national plan formulation, implementation monitoring and evaluation of the development plan demonstrates an opportunity of getting information those involved in national plan decision making process. It also means that the planning organization can receive counter arguments that will make a plan more realistic. More importantly it opens doors for policy alternatives and project initiation. The existence of planning, implementation, and monitoring and evaluation mechanisms is an emblem of clear authority, formal division of labor, and the interrelationships among organizations, stakeholders, and actors. Specification of the participants within the mechanisms allow monitoring of progress, system for correction that maintains the momentum of implementation. The more transparent and participatory and engaged is the dialogue, the higher is the degree of values shared. In so doing, planning is likely to be up to date and acceptable. More importantly, having effective dialogue promotes cross-disciplinary analysis within and between the planning organization and the development partner.

Institutional linkages

Institutional linkages are defined as points of regular patterns of interaction or cooperation (Heikkila et al., 2011) between the planning and public organization, private associations, CSOs; and think tanks and international organizations through formalized institutions such as shared rules and strategies which facilitate knowledge and exchange of resources, the identification of preferred roles and choice of service within various forms of networks (Lusthaus et al., 1995). Institutional linkages form functional interdependency between different actors or collective bodies.

Indicators are as follows.

- 1) Points for interaction and cooperation, for example, memberships, partnerships, associations, and networks (Inkpen & Tsang, 1995; Lusthaus et al., 1995)
- 2) Structural unit (Lusthaus et al., 1995)
- 3) External communication (Lusthaus et al., 1995)
- 4) Public organizations, private associations, CSOs, and think tanks are formally incorporated in the planning mechanism
- 5) International organizations are formally incorporated in the planning mechanism.

Memberships, partnerships, associations, and networks are formalized channels for interaction and cooperation. Without these linkages optimization of knowledge and resources comes from individual contacts, which can be limited by organizational structures, boundaries, and the bureaucratic culture. The structural unit is critical for institution building such as shared strategies and governance systems. An effective structural unit acquires resources and clear strategic direction for filling knowledge gaps. External communication is beyond knowledge and technology diffusion through interactions. It bolsters support from key actors and constituents, raising the organization's profile and new collaboration. Public organizations, private associations, CSOs, and think tanks are part of the planning mechanism and are indispensable parts of planning. Their insights and concerns should be systematically and scientifically incorporated into the planning mechanism. International organizations that are formally incorporated in the planning mechanism demonstrate that they are recognized as development partners that could compliment the planning organization's role as a visionary thinker, as they are able to share and underlie key global concerns and give warnings to prudent economic management, trade, health policy, gender, governance, and so on (Abbott and Snidal, 1998). Additionally, their global experiences are valuable for streamlining development priority.

Stakeholder management

Stakeholder management refers to development and the implementation of the organization's policies and practices that take into account the goals and concerns of all relevant stakeholders.

Indicators are as follows.

- 1) Formal plan or policy for stakeholder participation (United Nations Development Programme, 2008a) and specification of desired goals and common benefits in each stakeholder relationship
- 2) Identification of stakeholders and knowledge of the potential impact of the organization (Hillman, Keim, & Luce, 2001; Hörisch, Freeman, & Schaltegger, 2014)
- 3) Devoted division to handle data and information, and monitor and balance inter-stakeholder relationships (Perrini & Tencati, 2006; Post et al., 2002)
- 4) Staff with necessary skills: listening and being attentive, negotiating and having knowledge about specific stakeholders (Atkin & Skitmore, 2008; Post et al., 2002; Sturdivant, 1979)
- 5) Open and transparent atmosphere (Szwajkowski, 2000; United Nations Development Programme, 2008a)

Formal plans of policy for stakeholder participation and the specification of desired goal sand common benefits in each stakeholder relationship are the groundwork for stakeholder management. Policy documentation expresses the organization's desire to engage stakeholders. It is a manifestation of the recognition of stakeholders as a vital part of achieving strategic initiatives (Hillman et al., 2001). Standards of action and behavior for all staff members and expected results from the relationships with each stakeholder are clearly stated. It shows an effort to ensure the interest of all parties. Meeting the expectations of stakeholders means the survival of the organization. Identification of stakeholders and the analysis of its potential impact of organization are the initial stage of stakeholder engagement. The organization should know whom they are dealing with and help or potentially undermine the organization's capacity to plan and implement a plan. The planning organization cannot rely on speculation concerning whom it should interact with and with whom it should maintain a relationship. If such a situation takes place it echoes the likelihood of disjointed actions between the NESDB and stakeholders (Hillman et al., 2001). A responsible division established to handle data and information, and monitor and balance inter-stakeholder relationships not only maintains and strengthens relationships but also fixes resentments and uncovers new stakeholders

systematically. Stakeholder management is ongoing where division facilitates mutual benefit development and organizational learning (Hofer & Schendel, 1979). Although the organization's executives play a vital role in selecting activities and mobilizing resources to distribute benefits for stakeholders (Shropshire & Hillman, 2007), it is the staff that identifies the stakeholders. They make direct contact and perform different activities through the divisions or various functions within the organization. Thus, it is essential that staff listen and be attentive, negotiate and be knowledgeable about the context and concerns of stakeholders while communicating and interacting. Inadequate skill can damage the organization's profile and its capacity to advance strategic initiatives. An open and transparent atmosphere encourages effective dialogue which trust leading to buy-in across broader stakeholder groups increased. Having such a setting means that stakeholder engagement activities are well-designed procedures, with a good management system and skilled staff to carry out interactions with stakeholders.

Organizational capacity

Organizational capacity is defined as the capacity to manage resources internally and with self-renewal. Self-renewal is the organization's learning capacity that determines the ability to adjust itself according to the demands of clients, including public and implementing organizations, shifting contexts, and relevant trends.

Organization capacity can be assessed according to two dimensions, including strategic planning and knowledge management.

Strategic planning

Strategic planning is defined as a process that sets the organization's goal, vision, mission, and strategies through formal planning processes where the chief executive and middle managers work together in identification of the organization's approach, operational system, and resources in order to ensure that the organization still fit the changing environment. Monitoring and evaluation of performance, external feedback, and reward systems are linked with the strategic agenda and the predetermined goals.

Indicators are as follows.

- 1) Use of formal strategic planning and methodology, such as SWOT or scenario analysis (Lusthaus, 1995; Kriemadis & Theakou, 2007; Posier & Streib, 1999)
- 2) Time that the chief executive spends on the strategic planning process as facilitator, giving advice in implementation monitoring, evaluating, and updating strategic plans (Ramanujam et al., 1986; Vila`Joaquim & Canales, 2008)
- 3) Upward and downward communication of the chief executive within an organization's hierarchy and various operational areas about the external environment and the organization's aspiration (Lusthaus et al., 1995; Vila` & Canales, 2008)
- 4) The middle manager's participation in the strategic planning process (Bryson, 2018; Vila` & Canales, 2008)
- 5) Identification of implementing responsibilities and necessary resources, including budgets allocated to particular programs, projects, or activities that advance the strategic agenda, as well as internal monitoring and performance evaluation or external feedback and reward systems (Bryson, 2018; United States Agency for International Development, 2012; Poister & Streib, 1999)

Using formal strategic planning and methodology such as SWOT or scenario analysis is a primary feature of strategy formulation. The process helps an organization understand current and plausible circumstances through systematic appraisal, or even stimulates new strategy that should be adopted and functionally adjusted if needed. The participation of middle manager in the strategic planning process connects high-level aspirations with operations, creating synergy in strategic initiative implementation. They are in this context a vehicle for translating high-level views into coherent actions. The time that the chief executive spends on the strategic planning process as facilitator, giving advice on implementation, evaluating and updating strategic plans when need is critical for strategic planning. Even though the mid-level manager is important for coherent actions, the leadership of the chief executive is far more important in locating the factors and external situations that the organization encounters. His or her engagement convinces the organization's members about the situation and the importance of strategic plans that need to be

acted upon for the organization's survival. The upward and downward communication of the chief executive makes employees understand the changing environment and the organization's aspirations. Communication and interaction promote and motivate the organization's members to act collectively. Strategic plans need to be implemented. Identification of implementing responsibilities and resources are necessary, including budgets allocated to particular programs, projects, or activities that ensure that critical strategic initiatives are executed with adequate resources. Internal monitoring and performance evaluation and external feedback keep the organization informed about where it is in the strategic course and what needs to be rectified in the current strategic plan or issues that should be addressed in the following strategic plan. A reward system may be applied to reinforce desired actions for advancing strategic agenda.

Knowledge Management

Knowledge management is defined as the ability to store and use information to improve the organization's culture and the work process through organized systems that increase the flexibility and adaptability of the organization.

The indicators are as follows.

- 1) Existence of the organization's knowledge management plan
- 2) Culture integration
 - (1) Community of practice exhibits knowledge management as an important part of the organization culture
 - (2) The godparent scheme for exchange of knowledge and collaboration between experienced and inexperienced personnel
 - (3) An organization-wide job rotation scheme to promote and facilitate the exchange of organization knowledge among different departments
- 3) Organizational integration
 - (1) Organizational structure is designed using a process orientation throughout the value chain
 - (2) Knowledge management team that gathers personnel from various business functions promoting interdepartmental collaboration

(3) Redefining job specifications to decrease managerial hierarchy and to grow a team culture within business functions rather than a manager and employee type relationship

4) Methodological integration

(1) Organizational knowledge maps to elucidate knowledge-intensive business processes and supports with knowledge management methods

(2) Identification and synchronization of initiatives related to the management of knowledge and those related to the management of information

(3) Creation and execution of knowledge management strategy using an integrative model such as exploration, innovation, dissemination, and the automation process. Exploration is the scanning and deeper evaluation of the organization's knowledge objects (explicit dimension) and knowledge innovation processes (implicit dimension), such as employee profiles or a concrete product- or process-related document (Minonne, 2007). Innovation is the active support of identifying knowledge concentration and important knowledge-flows and transmissions or knowledge transformation practices such as community building, mentoring, after-action reviews, and story telling. Dissemination is the distribution of the existing implicit knowledge by using a human-oriented approach, for instance, collaboration, cultural events, electronic conferencing, open-plan offices or knowledge-visualization). Automation is the active support required to streamline the various existing knowledge objects and to offer a consolidated as well as a customized view of the explicit knowledge base (Minonne, 2007)

5) Procedural integration

(1) Codification of the organization's key process and models, analysis of its connecting interfaces and optimization of knowledge and information exchange through these interfaces

(2) Audition of the speed of the business process and initiation of knowledge management practices to make them faster

(3) Identification of redundant work activities and terminating them by applying useful knowledge management practices

If an organization only has a knowledge management plan it could mean nothing. On occasions organizations present a knowledge management plan that

presents systematically the issues identified for managing its knowledge transfer and activities to be carried out in a specific period of time as well as reporting activities. Nonetheless, knowledge management should be part of the organization's improvement consistent with the mission and not a stand-alone process. It is an ongoing activity. Having methodological integration in place is a mean for achieving knowledge management. Procedural integration reflects the role of knowledge management in the value chain. KM is mainstreamed into core business activity productivity rather than just fixing minor issues within organizational operation. Cultural integration shows that knowledge is passed on, adopted, and applied through a mixture of conventional and unconventional approaches regardless of organization structure and hierarchy. Organization integration shows that knowledge management is a critical instrument in defining new relationships among departments and removing hierarchy, which is one of the biggest obstacles to efficiency improvement.

Individual capacity

Individual capacity in this study refers to the skill and knowledge of the planning officials within the national planning organization that met the organization's mission. Individual capacity was measured by three skill sets that are essential for development planning.

The skill set in this study was comprised of the skills that are fundamental for development planning, not central economic planning. They included writing, interaction, and research design, as stated earlier.

The writing skill is defined as the ability to write clear and precise development plans, evaluation reports for political decisionmakers, implementing actors, and the general public.

The indicators are as follows.

- 1) Investment in the writing skill (Laurian, 2007)
- 2) Using simplified language and vocabulary that are common to the audience in consultative events (Sartorio, Thomas, & Harris, 2017)
- 3) Ability to describe and visualize what is found from the site visit to political decision-makers (Innes, 2013)

4) Sharing manuscripts that discuss ideas on panels and in personal correspondence

5) Reevaluation or modification of strategic guidelines and goals (Innes, 2013)

Investment in the writing skill reflects an awareness of the planning organization of the need to equip planning officials with soft skills to deal with escalated degrees of stakeholder participation. Using simplified language and vocabulary that are common to the audience in consultative events demonstrates an attempt and the ability of planning officials to select appropriate language and words that are understandable to the audience. It also affects how the audience forms an opinion, which can either increase or denote the credibility of the argument that the planning officials are attempting to make, or even the understanding of the reality and condition of public problems. The ability to describe and visualize what is found from the site visit to the political decision-makers is another step in bringing problems into the political attention. The clearer that the problems and needs are appreciated, the greater is the chance that proposed solutions will be reacted upon. Sharing manuscripts discussing ideas on panels and in personal correspondence creates trust and confidence of the audience. This process takes time and analysis of the intakes that planning officials receive from their audience. The process itself makes planning officials be more transparent about what is included and excluded in their decision-making process to come up with proposed policy solutions. Reevaluation or modification of strategic guidelines and goals shows that after the manuscript is subjected to change until concerns and demands become a plan or policy. When it becomes a documentation, it is a chance to become implemented.

Interaction as defined in this study is the ability of planning officials to work in humble and transparent manners with members of implementing organizations in defining problems, finding possible options, and how to execute selected policy and who will carry it out. Members of the organizations that are associated with the planning official have trust in the planning officials.

Indicators are as follows.

- 1) Understanding of the context of interaction, relevant substances, and having knowledge about the problem
- 2) Ability to identify concerns and demonstrate sensitivity to the participants
- 3) Ability to adjust the language according to the target audience
- 4) Characteristic of the planning official being humble and reliable (Reeves, 2016)
- 5) Description and explanation of the process and timeline for following actions before and after hearing the concerns and needs

Understanding the context of interaction, and having knowledge about the problem are fundamental for public problem analysis that is based on evidence. Not having appreciation of the context and required knowledge is likely to cause false analysis. The ability to identify concerns and to demonstrate sensitivity to the participants makes for rational analysis. Planning officials that have compassion for the problem they encounter are likely to obtain more data and facts from different parties. However, this does not guarantee validity or reliability in the analysis. The ability to adjust the language according to the target audience makes communication between the planning officials and the audience effective, and this supports concerned identification with and understanding of the context. Planning officials may uncover attitudes and beliefs that creates better apprehension of the magnitude of the problem.

The characteristic of the planning official being humble and reliable makes the audience be direct about the problem and have trust in sharing their stories. If the planning official is seen to be disrespectful and a “know it all,” it is difficult to establish connection or a chance for a revisit. Descriptions and explanations of the process and timeline of following actions before and after hearing about the concerns and needs reflect the commitment of the planning official. It opens up an opportunity for continued assistance and commitment in policy formulation and implementation.

Research design is defined as having the skills and experience to formulate a problem and plan about how to best answer a series of questions for formulation of the development plan in a structural, ethical, and transparent manner.

Indicators are as follows.

- 1) Organization's expense for research and research method training
- 2) Access to academic databases
- 3) The research design is an integral part of development plan formulation specifying how the data will be collected, analyzed, and managed and available to others.
- 4) Available budget and clear time frame for conducting research in the planning process
- 5) Collaboration with specialists in relevant fields in the undertaken research

The organization's expenditure in research and research method training demonstrate that the planning organization acknowledges that planning officials need to be equipped with research skills that are a foundation of policy analysis. Such investment reflects an awareness of the planning organization—that rational decision-making in policy decisions remains necessary for national plan formulation.

Access to academic databases ensures that the problems that are being analyzed are based on the most reliable data and information. The availability of data sources promotes accurate analysis. In addition, it reinforces scientific culture in the organization. Research design for development plan formulation, specifying how the data will be collected, analyzed, and managed and available to others, shows that national development plan thrust and strategy are systematically developed. The available budget and a clear time frame for conducting research means that research is a major part of the planning process to reach conclusions on the trust and strategies that a country should follow. The research design can be time consuming, costly, and perceived as hurdle to routine work that may not be included in the planning. Collaboration with specialists and experts in relevant fields to undertake research increases the quality of research design for the planning. Planning official have to provide alternatives or information for policymakers to make informed decision. Public problems are increasingly complex, and often they require cross-dimensional analysis and insights of experts from various disciplines. Drawing knowledge from various sources enables resource optimization.

3.8 Sampling

Marshall (1996) proposed that many sound qualitative studies use inappropriate sampling techniques due to misunderstandings about generalization. The principle of defining an appropriate sample size for a qualitative study is whether it satisfactorily answers the research question. Sampling techniques range from purposive to snowballing to convenient sampling to reach rich and thick descriptions and as a triangulation strategy.

There are four broad approaches to selecting a sample for a qualitative study: convenience sampling, judgmental sampling, theoretical sampling, and snowball sampling. Qualitative research is by nature theory driven. Theoretical sampling was the first and foremost approach that was chosen for the present study in order to select the informants as it builds interpretative theories from the literature. A judgmental sample depends on status, professional background, research knowledge and insights about the relevant data source. Even though this approach is more rational than simple demographic stratification, age, gender, and social class are carefully taken in consideration. On the other hand, outliers, subjects that have specific experiences as a critical case sample with special expertise, should be included as key informant samples as they may recommend useful potential candidates for study or a snowball sample. Convenience sampling is based on the accessibility and availability of resources. It should be noted that convenient sample was used when the present research began in Malaysia because as a foreign researcher it was not easy for the researcher to get herself into the field and make herself familiar with all if the informants with the quality needed. Later, once a connection was established there, most of the sampling techniques used were judgmental and theoretical and snowball sampling. With these techniques applied, they helped the researcher identify and access the group of people with knowledge and direct experience of the events to be studied.

3.9 Validity of the Research

Validity has always been an issue for the scrutinization and critique of qualitative research (Cho & Trent, 2006; Eisenhart & R., 1992; Johnson, 1997; Patton, 2001). Creswell and Miller (2000) argue that validity is what qualitative researchers use for quantitative research. On another continuum, qualitative researchers believe that qualitative research should be plausible, credible, and defensible. Johnson holds that qualitative research is conditional on validity and that researchers should apply different strategies by using different source of data, methods, theories, or extended fieldwork to enhance the validity of the research. The term validity refers to, for instance, quality, rigor, and the trustworthiness of the inferences drawn from data (Davies & Dodd, 2002; Eisenhart & R., 1992; Lincoln & Guba, 1985; Mishler, 2000; Nahid Golafshani, 2003; Seale, 1999).

As a policy and plan analyst at the NESDB with constant engagement with the EPU staff, the present researcher may be questioned regarding bias in the research design and process. In this connection, addressing this issue of validity is extremely important. Thus, different research strategies were utilized to promote the validity of this study.

Three types of validity in qualitative research are descriptive validity, interpretative, and theoretical validity. Descriptive validity is the accuracy of the facts intended to be recorded, for example, the descriptions of objects, behavior, events, people, and settings and time and places. Interpretative validity is the degree of the participants' viewpoints, thoughts, feelings, intentions, and experiences that are accurately appreciated and reflected in the research report. The interpretation of has have been recorded is discussed with the participants in order to ensure accuracy. Once a theoretical explanation is developed from the data, extended fieldwork may be performed in order to collect more data and to test the inductive hypotheses. Theory triangulation and peer review were also used. In order to improve internal validity, data and method triangulation were employed. Multiple informants for collecting the data for a variable were interviewed. Multiple data sources, for instance, interviews, official records, and written messages from newspaper government or political executives' websites and observation were also utilized. In terms of external validity,

many qualitative researchers are not interested in the generalization of findings to other groups. However, Cho and Trent argue that while these approaches are critical to the validity in qualitative research, yet they should not be used to distinguish “good” or “bad” research. Hence, extensive triangulation methods were used to reach a thick description in order to obtain holistically valid results.

3.10 Research Steps and Expected Outcomes

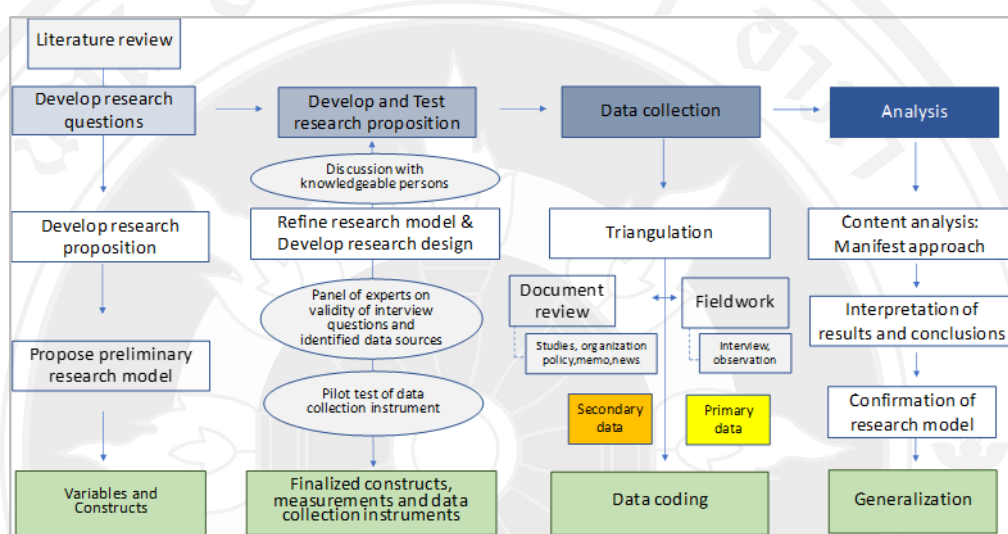


Figure 3.1 Research Steps

Table 3.1 Research Process and Expected Outcomes

Step	Process	Expected Outcomes
1.	Carry out a literature review	• Research and knowledge gaps identified • Research questions developed
2.	Develop research problem for preliminary research model	Research problem
3.	Develop conceptual framework Develop constructs	• Conceptual framework is explained • Variables of the research are defined and explained • Constructs • Direction for the research with

Step	Process	Expected Outcomes
		qualitative approach defined
		• Data collection instruments described • Preliminary interview questions, sources of data, and list of informants
4.	Carry out a discussion with knowledgeable persons	• Candid opinions of the research proposition • Inputs for modifying definition of the constructs
5.	Refine research model Develop research design	• Data collection process • Research path • List of informants modified
6.	Panel of experts	Increased validity of interview questions and identified data sources and means for triangulation
7.	Perform pilot testing of data collection instrument to ensure the wording in questions are precise and concise to unfold the truth and reality. This increases confidence and the power of the interview question as the main research instrument is proven feasible and practical in the field (Cresswell, 2009).	Refined interview content Objectivity, accuracy, and honesty of data collection instruments
8.	Data collection: Conduct document reviews necessary for each variable followed by interview and observation in the field	Sufficient reliable information for comprehensive analysis, and to capture different dimensions of the context of each variable studied
9.	Data categorization/ coding	Theme generation
10.	Analysis of data by using Content Manifest Analysis	Findings on the issues and appropriate model for theory development
11.	Interpretation of results and conclusions	• Confirmation of research model • Recommendations for policy and practice for Thailand and Malaysia • Recommendation for future research

3.11 Discussion with Knowledgeable Persons: Thailand and Malaysia

A discussion was carried out with people that have had lengthy direct experience or with scholars that ensured that the conceptual framework indicators relevant to the concept under investigation were appropriate. This stage increased the chance to create indicators of the highest possible validity (Papoutsaki, 2006). The discussions produced three outputs: (a) informed decisions on using a qualitative approach; (b) confidence in the research problem identified; and (c) definitions for constructs being more precise based on the focus group responses. Knowledgeable persons are described in this study as possessing knowledge or as having practiced economic development and development planning at the NESDB and EPU or as having been a thought leader in national development.

Thailand

Thammarak Karnpisith was chosen for the discussion. He had been in public service for more than 30 years and had been with the NESDB and served as senior advisor, Level 11 or in Thai “teeprueksa radub 11,” which the highest advisory level and is equal to the secretary-general rank.

Table 3.2 Discussion with Knowledgeable Persons: Thailand

Category	Name and Position	Profile of Knowledgeable Persons
A planning practitioner or academic	Dr. Thammarak Karnpisith, Former Senior Advisor, Level 11	Individual who practices or has had knowledge in disciplines including economic and development planning for at least 30 years

Malaysia

In November 2018, Associate Professor Dr. Cassey Lee Hong Kim, Senior Fellow at the ISEAS – Yusof Ishak Institute in Singapore was contacted via email for an opportunity to get his view on the research problem and conceptual framework.

Professor Lee is the author of several articles about the Malaysian planning system, for instance, *Making Sense of Malaysia's Institutional Reforms* (Lee, 2018b), *The Evolution of Development Planning in Malaysia* (Lee & Lee, 2017), and *Are Five-Year Development Plans Passé in Malaysia?* (Lee, 2018a). The meeting took place in Bangkok. During the discussion, he suggested removing “multidisciplinary” from one of the variables originally included in the conceptual framework because he did not think that it exists in the EPU. His advice also reshaped the researcher's thinking about the EPU; that is, some degree of bureaucracy and organizational culture may not be as dynamic as previously thought.

Table 3.3 Discussion with Knowledgeable Persons: Malaysia

Category	Name and Position	Profile of Knowledgeable Persons
A planning practitioner or academic	Associate Professor Dr. Cassey Lee Hong Kim	Individual who practices or has had knowledge in disciplines including economic and development planning for at least 30 years

3.12 Panel of Experts: Thailand and Malaysia

Thailand

A panel of experts was useful for the developing of interview questions. Chanakod Chisidporn, who is currently Executive Director of City Development Strategy at the NESDB was chosen. A draft of the interview questions and/or interview guideline was sent to her via email. The questions were amended according to her advice. The modified version was sent to the experts and modified again after receiving the second round of feedback.

Table 3.4 Panel of Experts on Validity of Interview Questions and Identified Data Sources

Category	Name and Position	Profile of Knowledgeable Persons
A middle manager planning official	Dr. Chanakod Chasidporn, Policy and Plan Analyst, Professional Level, NESDB	• Individual who practices planning at the NESDB for at least 15 years • Had rich experience in research in academics and worked with implementation officers

Malaysia

No panel of expert from Malaysia was included during the process as Professor Lee and Chasidporn provided sufficient comments on the conceptual framework, the data collection method, and the interview questions. Nonetheless, the research questions were pilot tested and modified. Details are below.

3.13 Pilot Testing of Data Collection Instrument

A pilot test is useful for testing the validity of questions and irrelevant indicators (Papoutsakis, 2005). A pilot test was undertaken for this research in February 2019. Four questions were sent the selected participants and they were asked to rephrase some of the questions that they were most concerned about.

- 1) Are the questions relevant and adequate for the purposes of the research?
- 2) Do any questions not make sense or are any confusing? Should any indicators be included in the set of questions?
- 3) Are any of the questions ambiguous or difficult to answer?
- 4) Are the questions well arranged so that the participant's interest is retained?

The participants were selected based on two criteria. First, he or she had to have at least ten years in public service, be associated with the target or a participant in government administration. Chasidporn was requested to comment on the interview questions for the Thai participants. Teh Kee Sin, President and Founder of the SMI Association of Malaysia, was selected for the Malaysian participants because of his experience with both public officers, private sector and politicians. Sin is also an entrepreneur and was a counsellor of Pasir Kudang municipality, Johor Bahru, Malaysia from 2007 to 2018. The draft interview questions were sent to him via email. The questions were amended according to his advice. The modified version was sent to him for the second round of feedback.

3.14 Gatekeepers

Thailand

Fieldwork in Thailand was conducted in a natural manner at the NESDB. Informants, who were NESDB officers—both high-ranking officials and at the operational level—were directly contacted and the objectives of the research were explained to them. The researcher also utilized the Public Sector Executive Development² network to reach out to informants outside the NESDB and to connect with high-level officers that were eligible to be key informants.

Malaysia

Conducting a research in Malaysia took time and effort in terms of locating the right people. Sometimes luck was involved. Malaysia is not a country where anyone can go and perform research. Every researcher has to be granted permission from the EPU, and he or she is required to fill out details and will be asked for a copy of the research when finished. It is a strong bureaucratic culture with government officials considered an elite profession.

Tan Sri Dr Sulaiman bin Mahbob was the first gatekeeper for former and current high-level officers in central executive agencies that was unintentionally

² The two-year management trainee program of Office of the Public Sector Development Commission

identified in February 2017. The present author met him when the development of the conceptual framework and constructs first began. I reached out Mr. Samirul Ariff Othman from the Malaysia Institute of Economic Research or MIER³ for setting up an informal discussion in Malaysia hopefully to obtain an initial viewpoint on the economic institutions in Malaysia. Othman, instead of himself, arranged a discussion with Tan Sri Dr Sulaiman Mahbob, Chairman of the MIER⁴ due to his background with the EPU and various government organizations and his high-level ranking position in Government Linked Companies (GLCs)—the government investment arm. Tan Sri Sulaiman worked with several Prime Ministers, for example, Tun Dr Mahathir Mohamad during the 1997 financial crisis, Tun Dato Seri Abdullah Bandawi, and Dato' Seri Najib Razuk. Talking with him established a connection with a high-level official in the central executive agencies under the Prime Minister's Department. Tan Sri Sulaiman connected me with the Director-General of the ICU, Tan Sri Ahmad Zaki Ansore Mohd Yusof. An interview was conducted using semi-guided questions at his office in Putrajaya located in the same building with the Prime Minister's Office. The interview gave me a better understanding of the planning and implementation machinery and the role of the ICU in implementation coordination

³ The Malaysian Institute of Economic Research (MIER) is an independent think tank for the government and private sector. It was first mooted in the Prime Minister's Economic Panel and later promoted by the Council on Malaysian Invisible Trade (COMIT). The research activities are, for instance, macroeconomic surveillance and forecasting, and policy studies and industry studies.

⁴ Tan Sri Sulaiman Mahbob has served the Government of Malaysia in various positions, for instance, the Director-General of the Economic Planning Unit, Prime Minister's Department, Secretary General Ministry of Domestic Trade and Consumer Affairs from 2001 to 2004, Head of the Secretariat, National Economic Action Council from 1998 to 2001, Acting Chairman of Felda Global Ventures Holdings Berhad from June 19, 2017 to September 8, 2017, and worked for the Ministry of Finance (Undersecretary Economics 1991-1994) from 1985 to 1994. Tan Sri Sulaiman was a Chairman of the Malaysian Industrial Department Authority (MIDA) from 2010 to 2012. Currently he is the Chairman of Telekom Malaysia Berhad.

and the nature of the government and states and problems in implementation, such as delays in procurement, which was found not to be different from those in Thailand. Tan Sri Ahmad Zaki was accompanied by his Deputy Secretary-General Ms. Shahrazat Binti Haji Ahmad, whom the researcher met her in subsequent meetings. Having connected with her gave the researcher greater understanding of the country's monitoring system and the ICU relationship with the EPU. In addition, Othman also facilitated a discussion with Tricia Yeoh, Chief Operating Officer of the Institute for Democracy and Economic Affairs or IDEAS to gain different academic perspectives on Malaysia's political and economic situation. The discussion with Tricia took place a few months later in 2017. Meeting with Tan Sri Sulaiman bin Mahbob, Tan Sri Ahmad Zaki, and Tricia helped to reshape the research problem, the conceptual framework, and the results regarding the depth of the data collected. More importantly, having a network with them established trust and opportunity to build connections with other government officials.

The second gatekeeper, Datuk Chua Hong Teck, held several high-level positions in Malaysia's public service, including Director General of the Public Complaints Bureau, Director of Social Services in the EPU, and former Director for the Healthcare and Low-Income Household, PEMANDU. Currently, he is an independent public policy and healthcare advisor. He is the author of *Financing Universal Coverage in Malaysia: a Case Study*. Datuk Chua was first introduced to the researcher in April 2019 by Professor Dr. John Xavier, a former civil servant at the National Institute of Public Administration or INTAN, the public training center for Malaysian civil service under the Public Services Department or PSD and the National Budget Office or NBO in the MoF, who turned to academia. He was one of the informants. Datuk Chua recommended several key informants that were former high-ranking officials in the EPU, current senior EPU officers and state economic planning unit officers, a former PEMANDU KPI manager who currently holds a high-level position in the Ministry of Health for interviews.

The researcher also used the existing network of her personal engagement as alternate members of the committee of the PCoP initiated by the World Bank Malaysia Office supported by the EPU.

3.15 Data Collection Process

Choosing research instruments for the data collection was done step by step, beginning from a theoretical view that pinpointed sources of data, and tested and reviewed a number of knowledgeable persons and experts in relevant fields. Source and means for the data collection also served as triangulation where the data were cross checked. Once all was determined, the data collection process was developed and continuously reviewed.

A brief research proposal and an official request letter from the Graduate School of Public Administration were submitted directly to either the participants or the heads of the organizations, if required. The purpose of the study and data collection procedures, maintenance of confidentiality, and benefits of the study were clarified via email and telephone conversation.

Field issues involve building trust and creditability; being too close to the organization and people studied can make coding and editing difficult. Great effort was put into the data collection design in order to deal with sensitive issues. On average, the interviews lasted 1 to 2 hours and took place at the interviewee's office, in a café, restaurant or hotel lobby depending on their request and convenience. The interviews were conducted in the Thai language for Thai participants and first transcribed into Thai and then into English for analysis by the researcher. The participants that were Malaysian were interviewed in English. All of the interviews were tape recorded and transcribed after the interview. Official and legal documents and speeches that were delivered in Bahasa Melayu were translated by Google translation—a free multilingual machine translation service developed by Google.

3.16 Triangulation: Document Review and Observation

Institutional capacity: after the interviews with the above informants, this was the process of method triangulation. Studies of international development organizations such as the World Bank and OECD on development planning, public finance management, and monitoring and evaluation were investigated. In addition, official records, newspaper articles, and interviews were also explored. Given that the

data were collected using two different methods, it enabled the researcher to ascertain some of attitudes of the stakeholders toward the NESDB.

Individual capacity: investigating the meeting reports of the Joint Public and Private Sector Consultative Committee (JPSCC) to resolve economic issues was explored as a research strategy in order gain greater comprehension of how the relationship between planning officials and private representatives is maintained.

Organization capacity: being in the NESDB allowed for the interpretation of implicit meanings. Direct engagement in intense and prolonged contact in the field in “live” situations at different times helped to make observations on memos, signposts, historical texts, photographs, and the behavior of planning officials.

3.17 Research Ethics

It is an obligation for the researcher that wants to conduct research in any field in Malaysia to seek permission from the EPU. It is an online system and offline process that details of the research, sources of funds, and certified letters from the institution must be clarified. It is also required that a research have a local research counterpart. This was accomplished step by step, and Dr, Chua Hong Teck was requested to be the researcher’s counterpart. An official request letter from the Graduate School of Public Administration was issued and submitted to the EPU along with other required documents. They were received by the EPU. Nevertheless, the EPU’s response was that a local counterpart had to be an academic. Thus, an appeal was made to the EPU about the possibility of assigning an EPU officer to be the researcher’s counterpart because it is organization level research which in the process would demand internal data for analysis. At the time of this writing, the researcher has still not received a response. All of the participants, hence, were aware of the situation and agreed to take part in the research. Some of them, mostly government officials, asked not to disclose their name or specific position, which was strictly followed. For the Thai participants such requests were also made and they were also rigorously followed.

CHAPTER 4

RESULTS

The chapter is divided into three sections.

First is the process analysis.

Second is the result of the EPU capacity.

Third is the result of the NESDB capacity.

4.1 Process Analysis

The process of analyzing qualitative data largely involves coding or categorizing a large volume of data to build a logical chain of evidence. The data collected in forms of field notes and audio were all transcribed into written texts. ATLAS.ti version 8.4.19 was used for storing, coding and analysis. This process evolved continuously so that the empirical data formed the basis for conclusion.

The process analysis is third steps.

First, it begins with storing documents which are interview transcripts, policy and legal document, speeches, presentation and report of high-ranking officials in the EPU, NBO, and ICU and NESDB. This also includes articles from renown academic and institutions, reports and working papers of international organizations such as the World Bank, the OECD and UN.

Second, is coding. Even though this study is inductive by nature, data collection does not derive out of the ground. It is based on literature review independent and dependent variable derived from theories. Each variable consists five elements which are used as code in straightforward manner. After that it is the coding process. Three levels of coding were performed.

The first level is open coding which involved breaking down the transcribed data into units of meaning or concepts, which were categorized and labelled. As additional data were gathered, coded were compared to existing data and re-

categorized. Clauses, pictures or data visualization in the documents were selected as quotations. This is where category is coded. Then, report of each code was printed out for review; and to uncover story and possible relationship between codes that I might have missed during the coding process. Then coding was revised. Some quotations were added or removed. This was the step that I again thought about the relationship between codes. Groundedness means the number of quotations selected in a code. Density is how many other codes a code is linked to.

The second level is axial coding that involved organizing and illuminating the relationships among categories by grouping them. This process was in cross checking with independent variables set for the study.

The third level is selective coding. The purpose of this stage was to create an integration of categories which is substantive. This process involved selecting a central or core category that integrates all other categories into a central story. I used co-occur function to systematically discover relationship between codes. Co-occurrence function discovers quotations that co-occur in the margin area. Possible operators in a code co-occurrence query: include within, encloses, overlaps, overlapped by and AND. Selection of code and code group to be analyzed by using co-occur function was based on my observation throughout the study and when coding. Then, co-occur tables were generated. It followed by creating “network” of co-occurred codes. A network linked between code and code and code and quotation. This process was the beginning of working at conceptual level. This process allowed development of relationship between independent variables and development plan implementation model of each country.

Third step was based on conformance approach, global development indices were used to investigate relationship between the capacity and implementation effectiveness

4.2 Results of the EPU Capacity

4.2.1 Institutional Arrangements

The analysis indicated that institutional arrangements were most grounded by clarity of the planning organization’s policies, procedures and processes regarding

plan formulation, execution management, monitoring and evaluation. The groundedness was 56. The density was 3.

Table 4.1 Institutional Arrangements

Code	Grounded	Density	Code Groups
Insti argt Association with public organizations, private sector associations, CSOs, think tanks, and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation of the development plan	13	3	MS INSTITUTIONAL ARRANGEMENT
Insti argt Association with public organizations, private sector associations, CSOs, think tanks, and stakeholders in policy analysis	15	5	
Insti argt Clarity of the planning organization's policies, procedures and processes regarding plan formulation, execution management, monitoring and evaluation	56	3	
Insti argt Existence of laws and regulations determining the roles and relationships among the planning organizations and concerned public organizations, private sector associations, CSOs, think tanks, and stakeholders within clear planning mechanisms	30	0	
Insti argt Transparent, participatory, engaged dialogue with public organizations, private sector associations, CSOs, think tanks, and stakeholders	5	0	

Three linked codes are as follows:

1) Clarity of the planning organization's policies, procedures and processes regarding plan formulation, execution management, monitoring and evaluation was cause of formal plan or policy for stakeholder participation and specification of desired goal and common benefits in each stakeholder relationship.

2) Clarity of the planning organization's policies, procedures and processes regarding plan formulation, execution management, monitoring and evaluation was cause of association with public organizations, private sector associations, CSOs, think tanks, and stakeholders in policy analysis.

3) Clarity of the planning organization's policies, procedures and processes regarding plan formulation, execution management, monitoring and

evaluation was linked to public organizations, private associations, CSOs, and think tanks being formally incorporated in the planning mechanism that was cause of association with public organizations, private sector associations, CSOs, think tanks and stakeholders in policy analysis. This relationship indicates that the degree of association with the association with public organizations, private sector associations, CSOs, think tanks and stakeholders in policy analysis was influenced by clear planning policies of the planning organization and their participations in the planning mechanism.

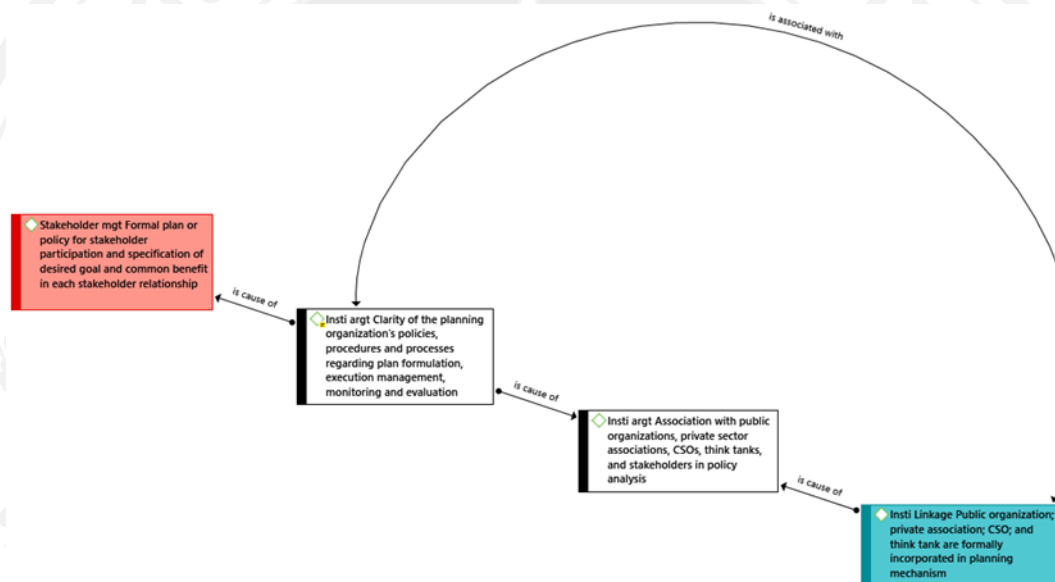


Figure 4.1 Relationships Among Clarity of the Planning Organization's Policies regarding Plan Formulation, Execution Management, Monitoring and Evaluation; and Incorporation of Public Organizations, Private Associations, CSOs, and Think Tanks in the Planning Mechanism; and their participations in policy analysis

The groundedness of existence of laws and regulations determining the roles and relationships among the planning organizations and concerned public organizations, private sector associations, CSOs, think tanks, and stakeholders within clear planning mechanisms was 30. The density was 0.

It was followed by association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in policy analysis. The groundedness was 15. The density was 5. There were five linked codes as follows:

1) Clarity of the planning organization's policies, procedures and processes regarding plan formulation, and execution management, monitor and evaluation was cause of association with policy public organizations, private sector associations, CSOs, think tanks and stakeholders in policy analysis.

2) Public organization; private association; CSO; and think tank are formally incorporated in planning mechanism was cause of association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in policy analysis

3) Points for interaction and cooperation, for example, memberships, partnerships, associations, and networks was cause of association with public organizations, private sector associations, CSOs, think tanks and stakeholders in policy analysis.

4) The collaboration with specialists and experts in relevant fields in the undertaken research; and available budget and clear timeframe for conducting research in the planning process were linked to association with policy public organizations, private sector associations, CSOs, think tanks and stakeholders in policy analysis.

The results show that the capacity of the EPU in policy analysis was influenced by the capacity in the institutional arrangements; and how the planning organization regularly interacts with public organizations. Such setting and interaction helped facilitating knowledge and resources exchange.

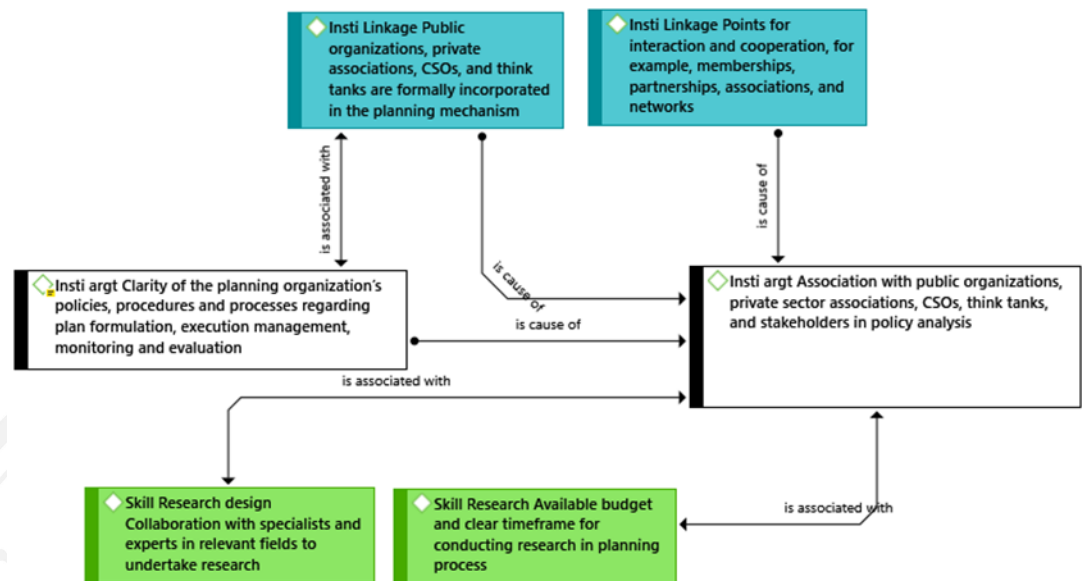


Figure 4.2 The EPU's Policy Analysis Capacity

The groundedness of association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation of the development plan was 13. The density was 3. There were three linked codes as follows:

Identification of stakeholders and knowledge of the potential impact of the organization; and public organizations, private associations, CSOs, and think tanks are formally incorporated in the planning mechanism were causes of association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation of the development plan. While research design is an integral part of development plan formulation specifying how the data will be collected, analyzed, and managed and available to others was part of association with public organizations, private sector associations, CSOs, think tanks, and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation of the development plan.

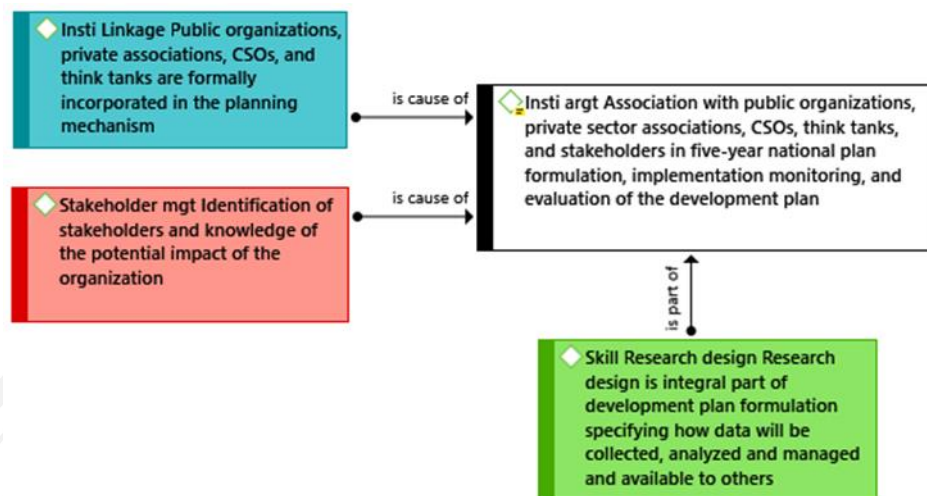


Figure 4.3 Association with Public Organizations, Private Sector Associations, CSOs, Think Tanks, and Stakeholders in Five-Year National Plan Formulation, Implementation Monitoring, and Evaluation of the Development Plan

The groundedness of transparent, participatory, engaged dialogue with public organizations, private sector associations, CSOs, think tanks, and stakeholders was 5. The density was 0.

4.2.2 Institutional Linkages

Points for interaction and cooperation was the most grounded code. The groundedness was 20. The density was 1. It was cause of association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in policy analysis.

Table 4.2 Institutional Linkages

Code	Grounded	Density	Code Groups
Insti Linkage External Communication	5	0	MS INSTITUTIONAL LINKAGE
Insti Linkage International organizations are formally incorporated in the planning mechanism	3	0	
Insti Linkage Points for interaction and cooperation, for example, memberships, partnerships, associations, and networks	20	1	
Insti Linkage Public organizations, private associations, CSOs, and think tanks are formally incorporated in the planning mechanism	19	4	
Insti Linkage Structural unit	6	0	

The groundedness of public organizations, private associations, CSOs, and think tanks are formally incorporated in the planning mechanism was 19. The density was 4.

Identification of stakeholders and the potential impact of the organization was cause of public organizations, private associations, CSOs, and think tanks being formally incorporated in the planning mechanism that was cause of association with stakeholders in five-year national plan formulation, implementation monitoring, and evaluation of the development plan; and their engagements in policy analysis.

In addition, there was relationship between public organizations, private associations, CSOs, and think tanks formally incorporated in the planning mechanism; and clarity of the planning organization's policies regarding plan formulation, execution management, monitoring and evaluation as explained in the previous section.

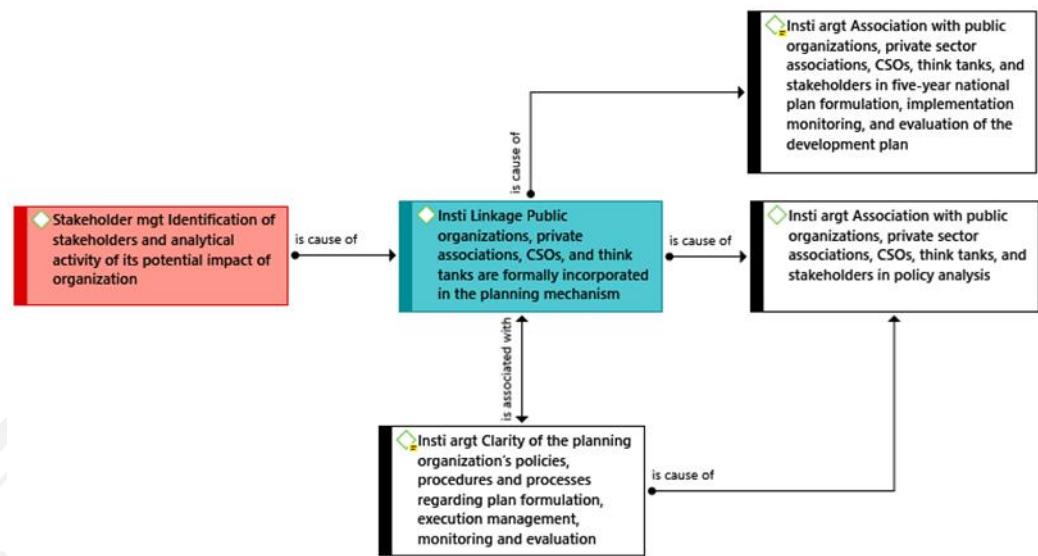


Figure 4.4 Institutional Linkages

The groundedness of structural unit was 6. The density was 0. The groundedness of external communication was 5. The density was 0. The groundedness of international organizations being formally incorporated in the planning mechanism was 3. The density was 0.

4.2.3 Stakeholder Management

Formal plan or policy for stakeholder participation and specification of desired goals and common benefits in each stakeholder relationship was the most grounded code. The groundedness was 40. The density was 3.

Table 4.3 Stakeholder Management

Code	Grounded	Density	Code Groups
Stakeholder mgt Devoted division to handle data and information, and monitor and balance inter-stakeholder relationships	5	0	MS STAKEHOLDER MANAGEMENT
Stakeholder mgt Formal plan or policy for stakeholder participation and specification of desired goals and common benefits in each stakeholder relationship	40	3	
Stakeholder mgt Identification of stakeholders and analytical activity of its potential impact of organization	16	2	
Stakeholder mgt Open and transparent atmosphere	0	0	
Stakeholder mgt Staff with necessary skills: listening and being attentive, negotiating and having knowledge about specific stakeholders	2	0	

Stakeholder management was influenced by clarity of the planning organization's policies, procedures and processes regarding plan formulation, execution management, monitoring and evaluation.

Formal plan or policy for stakeholder participation and specification of desired goals and common benefits in each stakeholder relationship not only caused identification of stakeholders and the potential impact of the organization but also association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation of the development plan. It implies that the clearer the plan formulation, execution management, monitoring and evaluation, the better stakeholder management policy and identification of stakeholders by the planning organization.

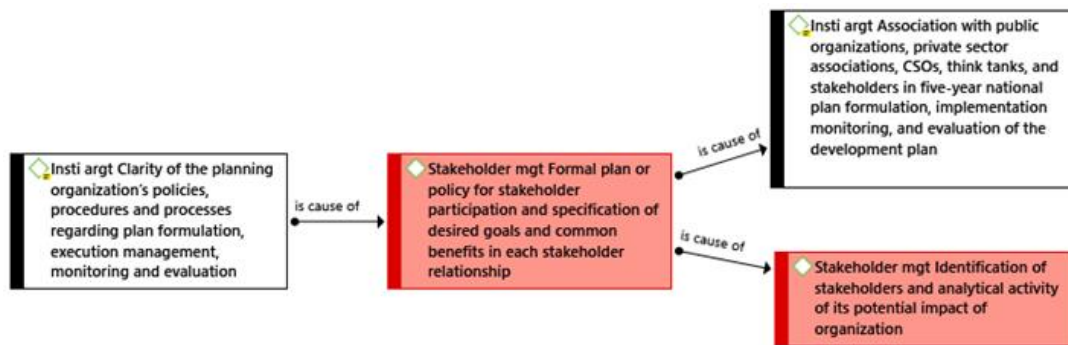


Figure 4.5 Stakeholder Management; and Clarity of the Planning Organization's Policies, Procedures and Processes Regarding Plan Formulation, Execution Management, Monitoring and Evaluation

Formal plan or policy for stakeholder participation and specification of desired goals and common benefits in each stakeholder relationship was cause of public organizations, private associations, CSOs, and think tanks being formally incorporated in the planning mechanism through identification of stakeholders and their potential impacts of organization.

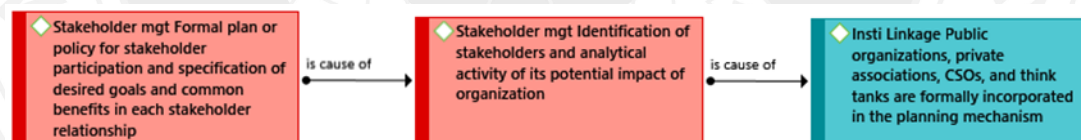


Figure 4.6 Identification of Stakeholders

The groundedness of devoted division to handle data and information, and monitor and balance inter-stakeholder relationships was 5. It did not link to any codes. The groundedness of staff with necessary skills: listening and being attentive, negotiating and having knowledge about specific stakeholders was 2. There was no link to other codes. The groundedness of open and transparent atmosphere was 5. The density was 0.

4.2.4 Strategic Planning

Only identification of implementing responsibilities and necessary resources including budgets allocated to particular programs, projects, or activities that advance the strategic agenda, as well as internal monitoring and performance evaluation or external feedback and reward systems has groundedness. It accounted for 1. The density was 0. The groundedness of the rest of the code was 0.

Table 4.4 Strategic Planning

Code	Grounded	Density Code Groups
Org Strategic planning Identification of implementing responsibilities and necessary resources, including budgets allocated to particular programs, projects, or activities that advance the strategic agenda, as well as internal monitoring and performance evaluation or external feedback and reward systems	1	0 MS STRATEGIC PLANNING
Org Strategic planning The middle manager's participation in the strategic planning process	0	0
Org Strategic planning Time that the chief executive spends on the strategic planning process as facilitator, giving advice in implementation monitoring, evaluating, and updating strategic plans	0	0
Org Strategic planning Upward and downward communication of the chief executive within an organization's hierarchy and various operational areas about the external environment and the organization's aspiration	0	0
Org Strategic planning Use of formal strategic planning and methodology, such as SWOT or scenario analysis	0	0

4.2.5 Knowledge Management

Methodological integration was the most grounded code. Its groundedness was 3. It was followed by organizational integration that the groundedness was 2. The groundedness of culture integration was 1. The groundedness of existence of the organization's knowledge management plan and procedural integration was 0. All codes did not have linkage to the others.

Table 4.5 Knowledge Management

Code	Grounded	Density Code Groups
Org KM Culture Integration	1	0 MS KNOWLEDGE MANAGEMENT
Org KM Existence of the organization's KM Plan	0	0
Org KM Methodological integration	3	0
Org KM Organizational integration	2	0
Org KM Procedural integration	0	0

4.2.6 Writing Skill

There were only ability to describe and visualize what is found from the site visit to the political-decision makers; and using simplified language and vocabulary that are common to the audience in consultative events had groundedness. Their groundedness were 4. All codes did not link to the others. There was no groundedness of investment in the writing skill; reevaluation or modification of strategic guidelines and goals; and sharing manuscripts that discuss ideas on panels and in personal correspondence.

Table 4.6 Writing

Code	Grounded	Density Code Groups
Skill Writing Ability to describe and visualize what is found from the site visit to political decision-makers	4	0 MS WRITING
Skill Writing Investment in the writing skill	0	0
Skill Writing Reevaluation or modification of strategic guidelines and goals	0	0
Skill Writing Sharing manuscripts that discuss ideas on panels and in personal correspondence	0	0
Skill Writing Using simplified language and vocabulary that are common to the audience in consultative events	4	0

4.2.7 Interaction

Understanding of the context of interaction, relevant substances, and having knowledge about the problem is the most grounded code. Its groundedness was 4. The density was 0. It was followed by ability to adjust the language according to the target audience. The groundedness was 3. The density was 0. The groundedness of characteristic of the planning official being humble and reliable was 2. The density was 0. The groundedness of ability to identify concerns and demonstrate sensitivity to the participants; and description and explanation of the process and timeline for following actions before and after hearing the concerns and needs was 0. None of the codes were linked to the others.

Table 4.7 Interaction

Code	Grounded	Density	Code Groups
Skill Interaction Ability to adjust the language according to the target audience	3	0	MS INTERACTION
Skill Interaction Ability to identify concerns and demonstrate sensitivity to the participants	0	0	
Skill Interaction Characteristic of the planning official being humble and reliable	2	0	
Skill Interaction Description and explanation of the process and timeline for following actions before and after hearing the concerns and needs	0	0	
Skill Interaction Understanding of the context of interaction, relevant substances, and having knowledge about the problem	4	0	

4.2.8 Research Design

Collaboration with specialists and experts in relevant fields in the undertaken research is the most grounded coded. Its groundedness was 10. The density was 1. It was linked to association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in policy analysis.

Organization's expense for research and research method training was the second most grounded code. The groundedness was 6. The density was 0.

The groundedness of research design is an integral part of development plan formulation specifying how the data will be collected, analyzed, and managed and available to others was 3. The density was 1. It was part of association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation of the development plan.

The groundedness of access to academic databases was 2. The density was 0.

The groundedness of available budget and clear timeframe for conducting research in the planning process was 1. The density was 1. It was linked to association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in policy analysis.

Table 4.8 Research Design

Code	Grounded	Density Code Groups
Skill Research Available budget and clear timeframe for conducting research in planning process	1	1 MS RESEARCH DESIGN
Skill Research design Access to academic databases	2	0
Skill Research design Collaboration with specialists in relevant fields in the undertaken research	10	1
Skill Research design Organization's expense for research and research method training	6	0
Skill Research design The research design is an integral part of development plan formulation specifying how the data will be collected, analyzed, and managed and available to others	3	1

The relationships of collaboration with specialists in relevant fields in the undertaken research; and availability of budget and timeframe for conducting research in planning process; and association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation of the development plan and in policy analysis demonstrate that research design does not only help improving the planning but also the inclusion of stakeholders and actors in policy analysis. It suggests the possibility of impact on knowledge outreach organization wide.

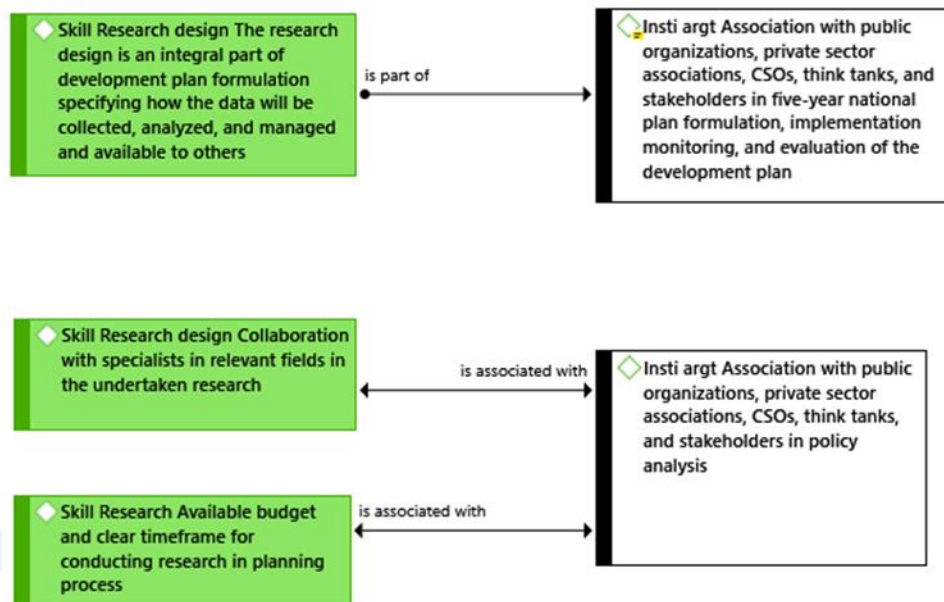


Figure 4.7 Research Design

4.3 Results of the NESDB Capacity

4.3.1 Institutional Arrangements

Association with public organizations, private sector associations, CSOs, think tanks, and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation of the development plan was the most grounded code. The groundedness was 5. The density was 3 as follows:

Identification of stakeholders and the potential impact of the organization was cause of association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation of the development plan. External communication and points for interaction and cooperation were linked to association with public organizations, private sector associations, CSOs, think tanks, and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation of the development plan.

The groundedness of clarity of the planning organization's policies, procedures and processes regarding plan formulation, execution management, monitoring and evaluation was 4. The density was 0.

The groundedness of association with policy public organizations, private sector associations, CSOs, think tanks and stakeholders in policy analysis was 1. The density was 1. It was linked to points for interaction and cooperation.

The groundedness of existence of laws and regulations determining the roles and relationships among the planning organizations and concerned public organizations, private sector associations, CSOs, think tanks, and stakeholders within clear planning mechanisms was 1. The density was 0.

There was no groundedness and density of transparent, participatory, engaged dialogue with public organizations, private sector associations, CSOs, think tanks, and stakeholders.

Table 4.9 Institutional Arrangements

Code	Grounded	Density	Code Groups
TH Insti argt Association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation of the development plan	5	3	TH INSTITUTIONAL ARRANGEMENT
TH Insti argt Association with public organizations, private sector associations, CSOs, think tanks, and stakeholders in policy analysis	1	1	
TH Insti argt Clarity of the planning organization's policies, procedures and processes regarding plan formulation, execution management, monitoring and evaluation	4	0	
TH Insti argt Existence of laws and regulations determining the roles and relationships among the planning organizations and concerned public organizations, private sector associations, CSOs, think tanks, and stakeholders within clear planning mechanisms	1	0	
TH Insti argt Transparent, participatory, engaged dialogue with public organizations, private sector associations, CSOs, think tanks, and stakeholders	0	0	

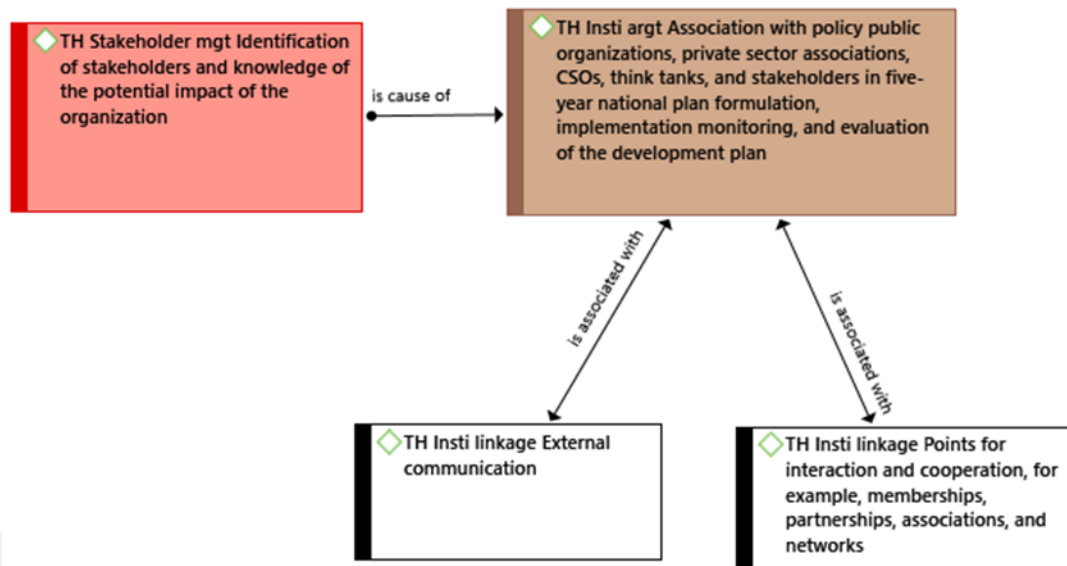


Figure 4.8 Institutional Arrangements

4.3.2 Institutional Linkages

The groundedness of points for interaction and cooperation was 7. The density was 2. It was linked to association with public organizations, private sector associations, CSOs, think tanks, and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation of the development plan; and policy public organizations, private sector associations, CSOs, think tanks and stakeholders in policy analysis.

The groundedness of external communication was 1. The density was 1. It was linked to association with public organizations, private sector associations, CSOs, think tanks, and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation of the development plan.

The groundedness of international organizations are formally incorporated in the planning mechanism; and structural unit was 1. The density of both codes was 0.

The groundedness of public organizations, private associations, CSOs, and think tanks are formally incorporated in the planning mechanism was 0. The density was 0.

Table 4.10 Institutional Linkages

Code	Grounded	Density Code Groups
TH Insti linkage External communication	1	1 TH INSTITUTIONAL LINKAGE
TH Insti linkage International organizations are formally incorporated in the planning mechanism	1	0
TH Insti linkage Points for interaction and cooperation, for example, memberships, partnerships, associations, and networks	7	2
TH Insti linkage Public organizations, private associations, CSOs, and think tanks are formally incorporated in the planning mechanism	0	0
TH Insti linkage Structural unit	1	0

4.3.3 Stakeholder Management

Identification of stakeholders and the potential impact of the organization was the most grounded code. The groundedness was 4. The density was 1. It was linked to association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation of the development plan.

The groundedness of devoted division to handle data and information, and monitor and balance inter-stakeholder relationships that was 3. The density was 0.

The groundedness of formal plan or policy for stakeholder participation and specification of desired goal and common benefits in each stakeholder relationship was 1. The density was 0.

There was no groundedness and density of open and transparent atmosphere; and staff with necessary skills.

Table 4.11 Stakeholder Management

Code	Grounded	Density	Code Groups
TH Stakeholder mgt Devoted division to handle data and information, and monitor and balance inter-stakeholder relationships	3	0	TH STAKEHOLDER MANAGEMENT
TH Stakeholder mgt Formal plan or policy for stakeholder participation and specification of desired goals and common benefits in each stakeholder relationship	1	0	
TH Stakeholder mgt Identification of stakeholders and knowledge of the potential impact of the organization	4	1	
TH Stakeholder mgt Open and transparent atmosphere	0	0	
TH Stakeholder mgt Staff with necessary skills: listening and being attentive, negotiating and having knowledge about specific stakeholders	0	0	

4.3.4 Strategic Planning

Use of formal strategic planning and methodology is the most grounded code. The groundedness was 5. The density was 0.

The groundedness of identification of implementing responsibilities and necessary resources including budgets allocated to particular programs, projects, or activities that advance the strategic agenda, as well as internal monitoring and performance evaluation or external feedback and reward systems was 4. The density was 1. It was cause of existence of the organization's knowledge management plan.

The groundedness of time that the chief executive spends on the strategic planning process as facilitator, giving advice in implementation monitoring, evaluating, and updating strategic plans was 4. The density was 0.

The groundedness of the middle manager's participation in the strategic planning process was 3. The density was 0.

The groundedness of upward and downward communication of the chief executive within an organization's hierarchy and various operational areas about the external environment and the organization's aspiration was 0. The density was 0.

Table 4.12 Strategic Planning

Code	Grounded	Density	Code Groups
TH Org Strategic planning Identification of implementing responsibilities and necessary resources, including budgets allocated to particular programs, projects, or activities that advance the strategic agenda, as well as internal monitoring and performance evaluation or external feedback and reward systems	4	1	TH STRATEGIC PLANNING
TH Org Strategic planning The middle manager's participation in the strategic planning process	3	0	
TH Org Strategic planning Time that the chief executive spends on the strategic planning process as facilitator, giving advice in implementation monitoring, evaluating, and updating strategic plans	4	0	
TH Org Strategic planning Upward and downward communication of the chief executive within an organization's hierarchy and various operational areas about the external environment and the organization's aspiration	0	0	
TH Org Strategic planning Use of formal strategic planning and methodology, such as SWOT or scenario analysis	5	0	

4.3.5 Knowledge Management

The groundedness of methodological integration was 9. The density was 1. It was linked to organization's expense for research and research methods training.

The groundedness of existence of the organization's knowledge management plan was 8. The density was 1. The formulation of knowledge management plan was caused by identification of implementing responsibilities and necessary resources.

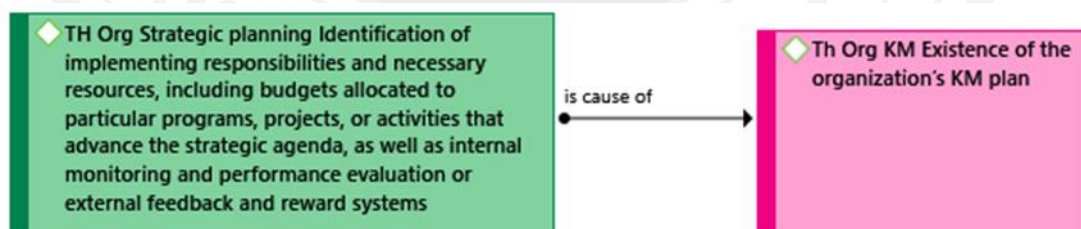


Figure 4.9 Knowledge Management

The groundedness of culture integration was 1. The density was 0. The groundedness and density of organizational integration and procedural integration was 0.

Table 4.13 Knowledge Management

Code	Grounded	Density Code Groups
TH Org KM Culture integration	1	0 TH KNOWLEDGE MANAGEMENT
Th Org KM Existence of the organization's KM plan	8	1
TH Org KM Methodological integration	9	1
TH Org KM Organizational integration	0	0
TH Org KM Procedural integration	0	0

4.3.6 Writing Skill

Sharing manuscripts discussing ideas on panels and in personal correspondence is the most grounded code. The groundedness was 3. The density was 0.

The groundedness of ability to describe and visualize what is found from the site visit to the political-decision makers was 2. The density was 0.

The groundedness of using simplified language and vocabulary that are common to the audience in consultative events was 1. The density was 0.

There was no groundedness and density of investment in the writing skill; and reevaluation or modification of strategic guidelines and goals.

Table 4.14 Writing Skill

Code	Grounded	Density Code Groups
TH Skill Writing Ability to describe and visualize what is found from the site visit to political decision-makers	2	0 TH WRITING
TH Skill Writing Investment in the writing skill	0	0
TH Skill Writing Reevaluation or modification of strategic guidelines and goals	0	0
TH Skill Writing Sharing manuscripts that discuss ideas on panels and in personal correspondence	3	0
TH Skill Writing Using simplified language and vocabulary that are common to the audience in consultative events	1	0

4.3.7 Interaction

Ability to adjust the language according to the target audience was the only code that has groundedness. It groundedness was 4. The density was 0.

Table 4.15 Interaction

Code	Grounded	Density Code Groups
TH Skill Interaction Ability to adjust the language according to the target audience	4	0 TH INTERACTION
TH Skill Interaction Ability to identify concerns and demonstrate sensitivity to the participants	0	0
TH Skill Interaction Characteristic of the planning official being humble and reliable	0	0
TH Skill Interaction Description and explanation of the process and timeline for following actions before and after hearing the concerns and needs	0	0
TH Skill Interaction Understanding of the context of interaction, relevant substances, and having knowledge about the problem	0	0

4.3.8 Research Design

The groundedness of organization's expense for research and research methods training was 9. The density was 1. It was linked to methodological integration of knowledge management.

The groundedness of the research design is an integral part of development plan formulation was 3. The density was 0. There was no groundedness and density of the rest of the code.

Table 4.16 Research Design

Code	Grounded	Density	Code Groups
TH Research design Available budget and clear time frame for conducting research in the planning process	0	0	0 TH RESEARCH DESIGN
TH Research design Collaboration with specialists in relevant fields in the undertaken research	0	0	
TH Research design The research design is an integral part of development plan formulation specifying how the data will be collected, analyzed, and managed and available to others	3	0	
TH Skill Research design Access to academic databases	0	0	
TH Skill Research design Organization's expense for research and research method training	9	1	

CHAPTER 5

DISCUSSION OF RESULTS: MALAYSIA

This chapter consists of three sections.

First is Malaysia's planning context: the administrative system and politics; the economy; race and structure, and key executive central agencies.

Second is the planning horizon.

Third is a discussion of the results.

5.1 Malaysia's Planning Context

Malaya gained independence in 1957. Independence was followed by a period of instability due to a communist riot and an external confrontation with Indonesia. In 1963 the north Borneo states of Sabah and Sarawak, along with Singapore, joined Malaya and united as Malaysia. At the time of independence Malaya was among the world's leading producers of rubber, tin, and palm oil. During the past 50 years the Malaysian economy has evolved from an agricultural one based on a few products, including oil, natural gas, rubber, and palm oil, to an information technology and exports. Despite cheap labor is no longer the country's competitiveness—Malaysia is shifting to a service-based economy.

Malaysia's economic management was not a bed of roses. Rather, it went through crises during the past decades. One was the 1997 financial crisis when the country received critical acclamation for homegrown macroeconomic management. Unlike Thailand, Indonesia, and South Korea, where recovery efforts were shaped by the IMF, the government decided to tighten fiscal and monetary policies and adopted expansionary policies when the magnitude of the crisis became clearer. More coherent policy responses were produced by the National Economic Action Council founded in January 1998. The National Economic Recovery Plan (NERP) launched eight months

later and enabled more comprehensive actions to strengthen social and economic fundamentals (Ariff & Abubakar, 1999).

5.1.1 Administrative System and Politics

Malaysia is a federated nation of 13 states, situated in Southeast Asia with two major geographic areas. It has a population of 26 million, the majority of which lives on Peninsular Malaysia. The states of Sabah and Sarawak lie on an island to the east, shared with Indonesia. While states have little power, the federal government is in charge of, for instance, external affairs, defense, internal security, federal leadership, finance, commerce, industry, and communications and transportation. It can therefore be said that the Malaysian government administration is federalist. The Malaysian Parliament is bicameral, consisting of the and lower houses. The upper house, called Dewan Negara, is filled by senate members where 26 are selected from states and 43 are appointed by the King on the recommendation of the prime minister. Senate members sit for 6-year terms. The general election has to be held at least once every five years. A government is formed upon receiving a majority vote of confidence from both houses. There are 24 ministries, including the Prime Minister's Department.

Since independence, Barisan Nasional (BN), the ruling coalition, has won more than two-thirds of the parliament seats, which allows them to pass laws easily. BN is a coalition party formed by the United Malays National Organisation (UMNO), the Malaysian Chinese Association (MCA), and the Malaysian Indian Congress (MIC) formed in 1957. Under BN, the premiership belongs to the UMNO presidents. Tun Dr. Mahathir bin Mohamad, Tun Dato' Sri Haji Abdullah bin Haji Ahmad Badawi, and Dato' Sri Haji Mohammad Najib bin Tun Haji Abdul Razak were the former presidents of the UMNO.

The indication of weakening power shown is seen in the 12th General Election led by Abdullah, in which BN lost several parliamentary seats among urban voters to the then opposition coalition—the Pakatan Rakyat (PR), as the party tapped into public concerns about corruption, independence of the judiciary, media policy, and electoral reforms. It marked the first time in history since the 1969 election that BN won less than two-thirds in the Dewan Rakyat.

Najib took office following Bandawi's resignation in 2008. He came at the time of public anxiety. The rise of BIRSIH, a coalition for free, clean, and fair elections, in 2007 shaped Najib's reform policy, including 1 Malaysia to promote national unity and the National Transformation Programme (NTP), which includes the Government Transformation Programme (GTP) and his Economic Transformation Programme (ETP). Led by Najib the 13th General Election in BN resumed its control of the federal government. PR was later succeeded by Pakatan Haraban (PH) established in 2015 as the opposition. The coalition party consists of the Democratic Action Party, the People's Justice Party, the National Trust Party, and the Malaysian United Indigenous Party. Currently the chairman of BN is Mahathir. He led the party and won the 14th General Election in May 2018 and became again the Prime Minister of Malaysia.

5.1.2 Economy

The modernization of Malaysia is known from Mahathir's commitment to improving the income disparity between races, particularly the Bumiputera, with several affirmative-action policies, for instance, the NEP aiming to eradicate poverty and the identification of race with economic policy and transformation into a heavy industrialized, entrepreneurial society and recently a knowledge-based economy. Many government entities were formed to make Malaysia leapfrog the agricultural to the industrial sector. Major industrial policies are, for instance, Proton, the first national car and mega infrastructure development. Major investments include the Kuala Lumpur International Airport, Petronas Twin towers and the multimedia super corridor stretching from the towers to Sepang where the airport is located. Tax incentives were provided to attract investors from Japan. Additionally, Mahathir strongly advocated high class public sector development and introduced a number of public sector development initiatives to improve not only quality, efficiency, and productivity but also public service leadership and cultural transformation. In 1981, he introduced the slogan "Clean, Efficient and Trustworthy." Government officials were required to wear nametags and punch cards and a strong work ethic was inculcated. There were reforms in the budget and financial management systems. With that spirit the public sector would be able to work hand in hand with business for

economic development. Mahathir subscribed to privatization, and many public utilities were privatized, many of which were given to selected Bumiputera entrepreneurs while the government retained ownership of the larger ones. Hundreds of GLCs were established. The EPU was extremely powerful. In mid-1990 the EPU managed around 24 privatization initiatives (Adam & Cavendish, 1995). Mahathir was criticized for patronizing big businesses that had strong ties with the government.

Unlike his predecessor, Abdullah, a planned successor of Mahathir who stepped into power in 2004, was famously known as an advocate for the poor in rural areas. His policy included agricultural and SME promotion as alternative means to promote the well-being of the Malay as well as corridor development. During his premiership Abdullah received backlashes from Mahathir and within the UMNO due to the discontinuity of economic and mega infrastructure projects, sidelining Proton, and the release of Anwar Ibrahim.

Najib focused on the liberalization of economy and a government and civil service reform through performance-driven policy. In March 2010, Najib launched the NEM, which reduced government intervention in the economy and removed race-based policy. National unity regardless of race, religion, or background became a government flagship by introducing the 1 Malaysia campaign, and the GTP and ETP. He was a keen advocate of public sector revitalization through changes in culture and mindsets. The government was the facilitator of the growth of business which had to be done with timely execution and a performance-driven culture.

5.1.3 Race

The ethnic makeup of Malaysia consists of ethnic Malay (referred to as Bumiputera) at 58% of the population, Chinese at 24%, and Indians making up most of the remainder. The economic share of each group is far different. The inequality between the races has caused social disintegration. Race riots erupted in 1969 between the Bumiputera and Chinese (Abdullah, 2010). The equity ownership ratio between the Bumiputera and the Chinese is the bottom-line of several government key policies for the redistribution of capital assets and narrowing the income gaps, such as school and university quotas, investment through GLCs, and public service recruitment systems.

5.1.4 Structure and Key Executive Central Agencies

The cabinet plays an executive role in policymaking, planning, budgeting, and public resource management. It is assisted by five executive central agencies under the Prime Minister's Department. The agencies are the EPU, the Malaysian Administrative Modernization, and Management Planning Unit (MAMPU), and the PSD handling all personnel matters. Public administration, particularly the personnel system, is highly centralized. All types of personnel matters, including the salary scheme, promotion, and rotation are managed by the PSD (Poocharoen, 2005). Three other important entities are the NBO in the MoF or the so-called Treasury, Revenue Departments in the MoF, and Bank Negara Malaysia (the Central Bank of Malaysia), which reports to the Minister of Finance.

5.1.5 Public Sector Development

Public administration reform has been a driver for the country's transformation in the sense of economic growth, the wealth creation for the Bumiputera (Siddiquee, 2002), and social unity and to support medium- and long-term policy implementation (Manaf, 2011). Influenced by the major shift in economic management policy in the UK and the US (Abdullah, 2010), and changes in the policy priorities of the Malaysian government in the mid-1980s, there was a paradigm shift to market ideology and privatization. The role of the government moved from direct intervention to giving indirect and support to the private sector. During Mahathir's 20 years in office a number of changes in the public management system were introduced to enhance efficiency and to transform the public service culture into being dynamic, accountable, and customer-orientated. With a belief in "industry knows best," Mahathir cultivated the culture of service and business facilitation through, for instance, the Malaysia Incorporated Policy introduced in 1983. Under this concept, Malaysia is viewed as a company jointly owned by public and private sectors. The public sector is the facilitator and beneficiary of a private sector-led economic development rather than a burden when it does business. Malaysia Inc. marked the beginning of arranged public-private sector collaboration. There have been a number of public-private sector consultative channels established, such as the Malaysian Business Council (MBC) and the Malaysia Incorporated Officials Committee

(MIOC). Chaired by the Prime Minister the MBC is the highest forum for consultation between the public and private sectors. The MIOC is the highest public-private consultative panel in civil service. The Chief Secretary to the government is the chairman of the MIOC. Dialogue sessions between the public and private sectors are also regularly held in order to obtain feedback from the business community on areas of improvement in public service delivery. Administrative reform efforts, such as quality improvement efforts, the Client's Charter—a public written commitment on standards of public service delivery—a clock-in system, nametags, ISO 9000, and total quality management were introduced to ensure civil service accountability.

An NPM-like concept adoption has opened doors for central executive agencies to compete for a leading role in the reform of human resource management, budgetary practices, and public management (Poocharoen, 2005). The MAMPU has led overall administrative reform. It improved the effectiveness and efficiency of the civil service machinery by assessing established practices and promoting modernization efforts. It also has monitored the impact of such reforms on civil service performance. It seems that the MAMPU was not very successful though. There were later attempts to improve budgeting and service delivery, specifically to respond to local and foreign private sector demand. The PSD led personnel reform. Poocharoen (2005) argues that the Malaysian learning cycle of reform has been to some extent successful as the introduction of a Modified Budgeting System (MBS) had been carefully implemented and had become a homegrown initiative in the end. Within the PSD through its INTAN courses on national development planning and key national policies, for example, Mahathir's Vision 2020 and NDP were offered. Performance-based budgeting became the main reform agenda for the NBO. The establishment of PEMUDAH, a high-level public/private sector task force, was found to promote faster reform in the delivery system and to facilitate business. It is co-chaired by the president of the Federation of Malaysian Manufacturers and Chief Secretary to the government. PEMUDAH was formed by the recognition of Abdullah of a public-private sector initiative. Major improvements include speeding up of approval processes for business licenses, permits, land administration, the reduction of processing time for applications, and consolidating filing processes. In 2008 PEMUDAH highlighted its success in enhancing transparency and streamlining

processes and procedures, such as reducing the time taken for registration, facilitation of e-payments, and the establishment of a one-stop center to accelerate the starting of a business in Malaysia. However, the overall change was incremental. Poor performance of the public administration system remains (Yeoh, 2011). In the early 1990s a performance measurement was introduced at both individual and organizational levels to ensure the implementation efficiency and effectiveness of programs and activities. At the individual level, the New Remuneration System (NRS) was introduced. It linked individual performance measurements to salary increases. The New Performance Appraisal System was launched to support the NRS. Direct links between individual performance and rewards in terms of salary increases and promotions were established. On an organizational level, “Guidelines for establishing performance indicators in government agencies” were introduced for performance measurements and indicator identification in order to incorporate them into budget estimates and annual reports (Yeoh, 2011).

Nonetheless, it seems that public service delivery was not yet efficient enough. In 2008 following the political tsunami BN lost a two-thirds majority in the parliament. After assuming office in April 2009, Najib declared his policy agenda, 1Malaysia People First, Performance Now, reflecting his commitment to making the government more performance-oriented and accountable for results. Najib introduced the GTP—a roadmap for improving public services and as strategy to radically transform the way government toward efficient and effective public service delivery (Siddiquee, 2014). The GTP aimed to make the government more efficient and effective in the delivery of services through the seven National Key Results Areas (NKRAs), such as reducing crime, fighting corruption, improving student outcomes, raising the living standards of low-income households, improving basic rural infrastructure, and improving urban public transport. The underlying philosophy of the GTP was to achieve fast and meaningful improvements in service delivery. Hence, the GTP focused on effective implementation, monitoring, and the reporting framework (Siddiquee 2014). The focus of the ETP introduced a year later increased the competitiveness of the economy through the 12 National Key Economic Areas (NKEAs), such as oil, gas and energy, palm oil, financial services, tourism, education, healthcare, communications content, and infrastructure and agriculture. The ETP was

driven by private investment. The Performance Management and Delivery Unit (PEMANDU), was set up as a GLC in 2008 to monitor and improve the performance of government ministries through effective implementation and coordination of the GTP. PEMANDU was not adorned by bureaucrats as its role was to push implementation and results delivery. The PEMANDU staff received a two- or three-times higher salary than government officials. High caliber people from private consultancy firms were recruited. Government officials were seconded from their mother ministries. The PEMANDU KPI officers were assigned to respective ministries to closely monitor the implementation of Entry Point Projects (EPPs) generated from labs where public, private, and different groups joined together for six weeks to discuss problems, solutions, responsible organizations, and sources of funds.

5.2 Malaysia's Planning Horizon

Malaysia is a country that has different tiers of plans. The five-year planning practice in which the Malaysia Plan was formulated took place after independence. However, after racial and economic pressure Malaysia adopted long-term planning. The Malaysian planning horizon comprises three major tiers, long-term (20-30 years), medium-term (five years) and short-term planning (one year). Details are as follows.

Long-term plan and policy

- 1) First Outline Perspective Plan (OPP1), 1971-1990
- 2) Second Outline Perspective Plan (OPP2), 1991-2000
- 3) Third Outline Perspective Plan (OPP3), 2001-2010

Being the long-term plan, the OPP is characterized by national aspirations, a broad policy statement, and things that the nation must overcome. The OPP establishes core and comprehensive strategies to achieve the targets under the national development agenda in the long term. Their elements form the benchmark for a more specific shorter plan and core policies that mainly address inequality and drive economic growth. Often national policies are subsequently introduced and implemented.

The core policies are as follows.

- 1) New Economic Policy (NEP) 1970-1990
- 2) New Development Policy (NDP) 1991-2000
- 3) National Vision Policy (NVP) 2001-2010
- 4) National Mission (NM) 2006-2020
- 5) New Economic Model (NEM) 2011-2020

The core policies establish a long-term vision and benchmark for the plan and policy at a lower level. The most critical long-term strategic document serving as the foundation for the policy and five-year plan is Vision 2020 (1991-2020) during the implementation period of the Sixth MP (1991-1995). Vision 2020 marked clear and concise nine challenges and the ambitious characteristics of Malaysia. Vision 2020 has become the vision of the country where any plan and policy at any level must align themselves with and work toward this end. Vision 2020 outlines the roadmap to achieve a developed nation status by targeting economic growth of 7 percent per year. In order to attain the goal there are nine challenges that Malaysia must overcome, which are as follows.

- 1) The first challenge is establishing a united Malaysian nation with a sense of common and shared destiny. It must be a nation at peace with itself, territorially, and ethnically integrated, living in harmony and with full and fair partnerships, made up of one “Bangsa Malaysia” with political loyalty and dedication to the nation.

- 2) The second challenge is creating a psychologically liberated, secure, and developed Malaysian society with faith and confidence in itself, justifiably proud of what it is, of what it has accomplished, and robust enough to face all manner of adversity. This Malaysian society must be distinguished by the pursuit of excellence, fully aware of all its potentials, psychologically subservient to none, and respected by the peoples of other nations.

- 3) The third challenge is fostering and developing a mature democratic society practicing a form of mature consensual, community-oriented Malaysian democracy that can be a model for many developing countries.

4) The fourth challenge is establishing a fully moral and ethical society, whose citizens are strong in religions and spiritual values and imbued with the highest of ethical standards.

5) The fifth challenge is establishing a mature, liberal, and tolerant society in which Malaysians of all colors and creeds are free to practice and profess their customs, cultures, and religious beliefs and yet feel that they belong to one nation.

6) The sixth challenge is establishing a scientific and progressive society, a society that is innovative and forward-looking, one that is not only consumer- or technology-based but also is a contributor to the scientific and technological civilization of the future.

7) The seventh challenge is establishing a fully caring society that will come before self, in which the welfare of the people will revolve not around the state or the individual but around a strong and resilient family.

8) The eighth challenge is ensuring an economically-just society. This is a society in which there is a fair and equitable distribution of the wealth of the nation, in which there is full partnership in economic progress. Such a society cannot be in place so long as there is the identification of race with economic function, and the identification of economic backwardness with race.

9) The ninth challenge is establishing a prosperous society, with an economy that is fully competitive, dynamic, robust, and resilient.

10) The fundamental challenge that must be overcome is the eradication of disharmony between races, as Mahathir has stated.

These challenges are translated into nine goals:

1) We will be truly united and integrated, a “Bangsa Malaysia,” with a sense of common and shared destiny, living in harmony and in full and fair partnership.

2) We will be a society with faith and confidence in ourselves, distinguished by the pursuit of excellence and respected by the peoples of other nations.

3) We will be a mature democratic society, practising a form of mature, consensual, community-oriented Malaysian democracy that will be a model for many developing countries.

4) We will be a fully moral and ethical society.

5) We will be a liberal and tolerant society, free to practise and profess our customs, cultures, and religious beliefs, and yet feel that we belong to one nation.

6) We will be a scientific and progressive society, contributing to the scientific and technological civilisation of the future.

7) We will be a fully caring society.

8) We will be an economically just society, with fair and equitable distribution of the wealth of the nation and with full partnership in economic progress.

9) We will be a prosperous society, with an economy that is fully competitive, dynamic, robust, and resilient.

Mahathir (1991) clearly explained that these initiatives would be implemented step by step through different tiers of plans, as can be seen in the following statements:

In the recent Budget, we clearly stated what we will do in the shorter term. The Sixth Malaysia Plan will make clear what we will do in the medium term while the second outline perspective Plan will indicate the direction over the long term.

The MP is the “operationalization of the long-term plan.” It determines the macroeconomic growth targets and the size and allocation of the public sector development program. It states the direction of the focused sectors, which sends a clear signal to the private sector in shaping its own investment policies. It provides information on how the long-term plan will be implemented through the program and how much development budget is needed. The function of the Malaysia Plan is clear and solid (Brown, Govindasamy, Loo, & Taliercio, 2017), as can be seen in the following statements: “The six 5-year development plans covering the entire period

(from the 6th to 11th Malaysia Plans) were intended to break the long-term vision into do-able, implementable, incremental steps.”

Medium term plan (five-years): Malaysia Plan

The MPs that fall within the scope of this study are as follows.

The Seventh MP (1996-2000)

Mahathir Mohamad (1981-2000)

The Seventh MP continues to highlight the concept of balanced development and fair distribution among all ethnic groups following the NEP. Economic growth is driven by the productivity and transformation of large-scale production for exports. The Plan emphasizes the importance of human resources by training and education. Science and technology and R&D are meant to generate growth. Industry is strengthened by, for instance, the diversification and modernization of industries to maintain the competitiveness of exports leading to growth of the economy. The private sector continues to play a pivotal role in economic growth.

The Eight MP (2001-2005)

Mahathir Mohamad (2001-2003) and Abdullah Ahmad Badawi (2003-2009)

During the Seventh MP GDP growth was positive, even though the Malaysian economy was contracted by the 1997 financial crisis. GDP growth was registered at 7.4% in 1998. Globalization, liberalization, and rapid expansion of ICT had a severe effect on the effectiveness of development policies. Policies and strategies need to be moved toward achieving sustainable growth with resilience, while strengthening the economic and financial infrastructure. Malaysia restructured its economy toward a knowledge-based economy in which human capital is to be strengthened socially, culturally, and psychologically to accelerate structural transformation within the manufacturing and services sectors and in the agriculture sector. The private sector takes lead in the economy, while the public sector will undertake a facilitating role through the provision of a conducive institutional framework and quality service. In order to enhance the country's competitiveness, productivity, and efficiency through human resource development, R&D and technology, particularly ICT development, must be focused on.

The Ninth MP (2006-2010)

Najib Razak (2009-2018)

The Ninth MP thrusts include, for instance, moving the economy up the value chain and enhancing value-added in manufacturing, services, and agriculture. New sources of growth will be based on ICT and biotechnology. In terms of human capital, the country nurtures citizens with a first-class mentality by strengthening R&D capacity, science and technology, and empowering youth and women. In order to reduce socioeconomic disparities regional development spearheads a more balanced and meaningful development. Institutional and implementation capacity is strengthened in the sense of participation, and effective machinery for implementation and monitoring. The government continues to play a facilitating role for business with the improvement of laws and regulations.

Badawi (2006) stated the following concerning the importance of a connection among the long-term vision, the long-term policy, and the Ninth MP:

The National Mission and the Ninth Malaysia Plan were formulated based on the input, views and feedback from various parties. The planning contained therein may not be perfect and may require further refining. However, the more important thing is to ensure effective and efficient implementation. Malaysians want to see the political will and determination of the Government in implementing this Plan as the first step towards realising the National Mission and ultimately achieving Vision 2020. Hence it is the Government's duty to structure the implementation, monitoring and evaluation machinery to become more effective.

The Tenth MP (2011-2015)

(Najib Razak 2009-2018)

In January 2010, in order to support 1 Malaysia, Najib launched the GTP to make the government more effective in service delivery and to move Malaysia forward to become an advanced, united, and just society with high standards of living for all races, as aspired to in Vision 2020 and in line with the NEM that characterize Malaysia's economy as market led, regionally integrative, and entrepreneurial and

innovative. The GTP has two pillars; namely, “People First—priorities that matter most to the rakyat” (Malaysian citizen) and “Performance Now—fundamental changes nationwide to deliver big, fast results” in the NKRAAs. The Tenth MP and its national development programs align itself with the NKRAAs of the GTP, NKEA, ETP, and NEM. The Plan clearly specifies the role of government as a regulator and catalyst, together with pursuing the principles of 1 Malaysia: People First, Performance Now. The Tenth MP outlines five key strategic thrusts, including creating an environment for unleashing economic growth; creating an environment that reinforces private sector as the main driver for economic growth; enabling the government to transform the Malaysian economy and to provide quality services; moving towards inclusive socio-economic development; developing and retaining a first-world talent base through productivity and innovation; and building an environment that enhances quality of life. The four pillars form the national transformation with the aim to achieve Vision 2020.



Figure 5.1 Four Pillars of the National Transformation

A Mid-Term Review (MTR)

The MTR is carried out in the middle of the five-year planning cycle to determine whether the plan is being implemented in accordance with the stated targets and schedules. Policy and strategy adjustments may be made if necessary. The objective of the MTR is to ensure the effectiveness of the particular plan. Thus, the MTR reviews the economic situation, the economic target, development, government priorities, the budget ceiling and the budget to be allocated to unite the country's fiscal position and development priorities. It is a stocktaking exercise to reaffirm the course of development policy and to readjust sectoral strategies and targets accordingly. It evaluates the progress achieved with relation to the program targets set at the beginning of the MP implementation. The most important function of the MTR is reviewing old and new projects to check problems in project implementation and adjusting allocations in subsequent annual budgets. Therefore, with the MTR government priorities can change. Lists of development projects listed for five years are subject to changes in the program. For instance, if a development project that has a time span of three years but implementation has not yet begun when the MTR is conducted it could be removed from the MTR or be modified. As a result, the MTR is almost like a new MP. The MTR takes at least one year to complete. Once it is completed, it must be presented by the Prime Minister in the House of Representatives.

Annual budget plan

The annual budget plan is a yearly plan that allocates resources for MP implementation. It does not present another set of trusts or strategies though. It provides the annual budget theme, focus areas, and trusts or strategies to attain. For instance, the theme of Budget 2018 is “Prosper with inclusive economy, balancing worldly and hereafter, for the wellbeing of the rakyat towards TN50⁵ aspirations.” It presents total allocation and how much is allocated for operation and development

⁵ TN50 or National Transformation 2050 is an initiative of national development that spans 2020 to 2050. The initiative was launched by Prime Minister Najib Razak driven by information and targets for 30 years developed through a consultative process from 2017 until 2019.

expenditure, macroeconomic projection, government revenue collection, fiscal measures/strategies, and how much money each sector and some policy areas, such as SMEs and Technical and Vocational Education Training will be given and/or which beneficiary group is expected to benefit from certain policies and measures. Annual budget is tabled to the parliament by the Finance Minister. No comprehensive detail on how much each government department is allocated with the budget or specific project is explained at length unless they are important development projects such as building sport complexes, schools, and railways construction. The targeted number of beneficiaries is indicated where possible; for instance, 250 million ringgits is provided to 500,000 contributors aged 7 to 12 years under the National Education Saving Scheme to cultivate the culture of savings for education.

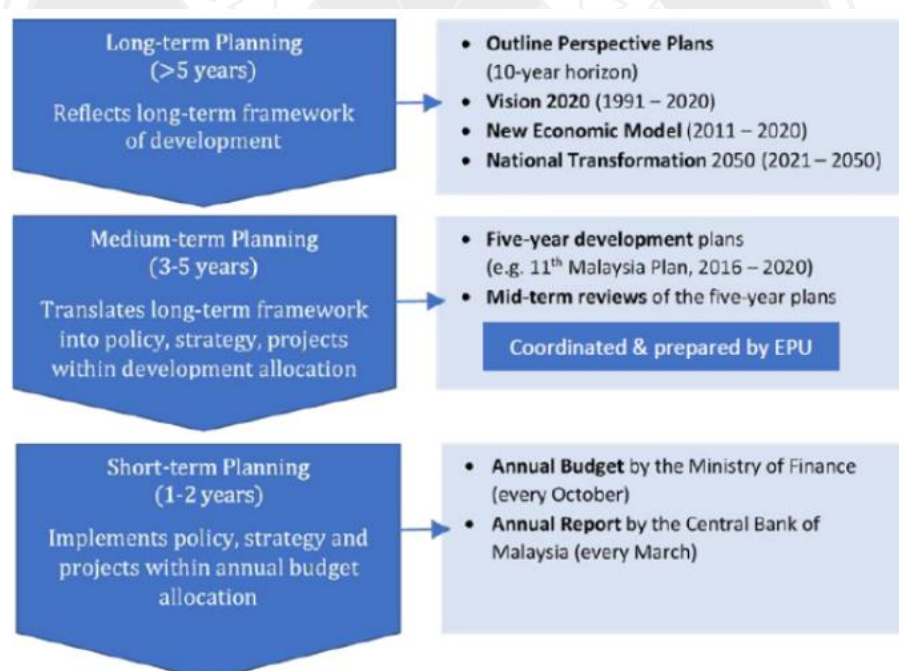


Figure 5.2 Three-tiered Planning Horizon in Malaysia

Source: World Bank, 2017a.

5.3 Discussion of Results

5.3.1 Institutional Arrangements

Based on the results from Chapter 4, the EPU has robust laws and regulations that clearly determine the role and responsibility to be depicted by each public and private organization, CSO, think tank, and the stakeholders involved in planning, implementation, and monitoring and evaluation. The EPU's planning policy and process of planning cycle are clear enough that the role of each player is optimized so that information for planning is less asymmetric. Such a condition leads to the formulation of thrusts and the allocation of resources to programs and projects in a coherent manner. Details are discussed below.

5.3.1.1 Clarity of the planning organization's policy, procedure, and process regarding plan formulation, execution management, and monitoring and evaluation

The EPU is at the heart of Malaysia's planning machinery. It devises the themes and directions of the MP, and coordinates the formulation of the Plan with different government entities both from federal administration and states, private association, and the third sector through established mechanisms. The EPU serves as the secretariat for the National Development Planning Committee (NDPC). The NDPC comprises representatives from, for instance, the MoF, the Central Bank, and high-level government executives and the Department of Statistics chaired by the Chief Secretary to the Government who is the head of all government department heads. He plays a vital role in guiding and monitoring the actions of department heads, ensuring the alignment of government policies and clearance before things are brought to the cabinet level. The NDPC guides the preparation of the MP, evaluates the MTR, and oversees implementation. The EPU may propose policy papers that seek policy decisions from the NDPC or policy issues submitted through the EPU for consideration. Thus, the NDPC is a clearing house for new initiatives and a resolution platform for disagreements between ministries, departments, and agencies. Senior officials from other federal agencies and line ministries can attend NDPC meetings to discuss the formulation and implementation of the MP.

At the apex of the planning machinery is the National Planning Council (NPC) under the chairmanship of the prime minister. The members of the NPC are cabinet ministers that are responsible for the key economic ministries.

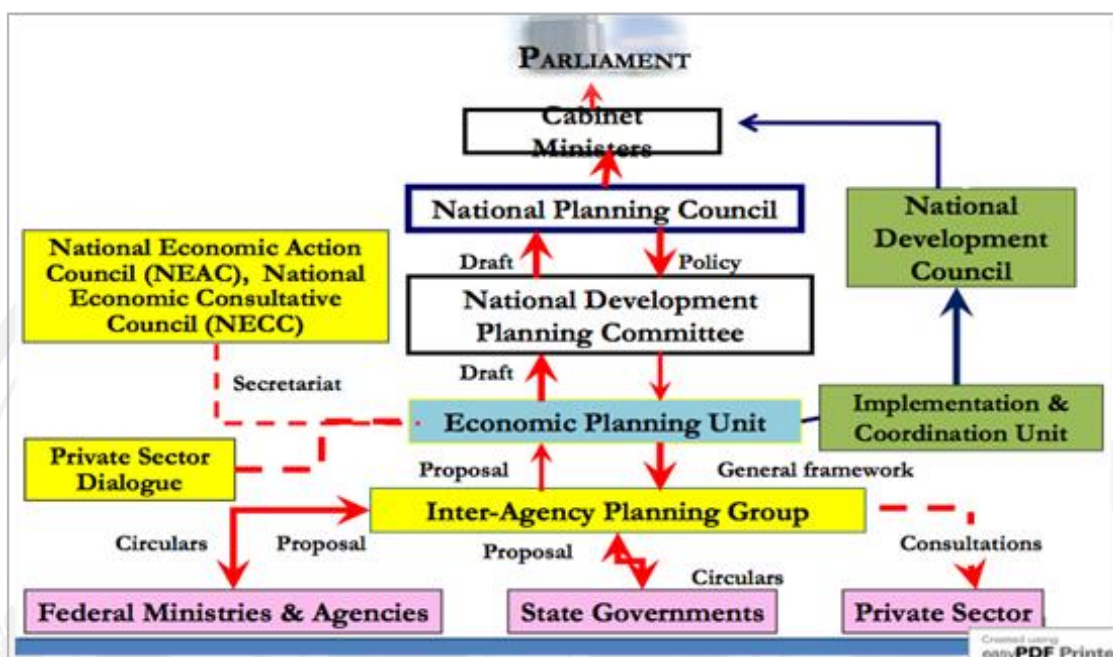


Figure 5.3 Malaysia's Planning Machinery

Source: PEMANDU, 2010.

The EPU has a Director-General who reports directly to a minister in the Prime Minister's Department. The organization structure is divided into four sections. The EPU has 460 staff members that are professional officers and support staff. Two sections that have the most responsibility for dealing with the planning and implementation of the MP are the Macroeconomics Section and the sectoral sections.

The Macroeconomic section oversees the Malaysia Plan formulation, makes macroeconomic forecasts, conducts policy analysis, and develops a budget ceiling and allocation and handles economic research and analysis.

The sectoral section oversees the microeconomic sector, such as infrastructure, agriculture, and security and energy. The sectoral sections deal with implementing ministries on a day-to day-basis. They monitor the implementation of approved programs and projects, and report progress and shortfalls to the EPU

programs in their respective areas and the commission studies or drafts new policy, strategies, and programs to achieve identified targets and outcomes. The EPU presents both strategy papers and the MP, which includes development programs and projects, to the NDPC and the prime minister and the parliament accordingly. Xavier (2019) describes EPU's planning as systematic and robust process, as can be seen in the following statements:

Before EPU comes up with their policies, they all have meetings with the ministries. From there they call it where should be direction. Then they meet industries. They have dialogues. They meet cabinet ministers...So it is not done in the vacuum. So, the ministries also have in hand the formulation of broad direction. Once it is all firmed up. Then EPU sends the circular for the capital projects for the next five years-detail costing and budgeting and sum of the costs are also standardized by EPU. They have a Standard Cost Committee.

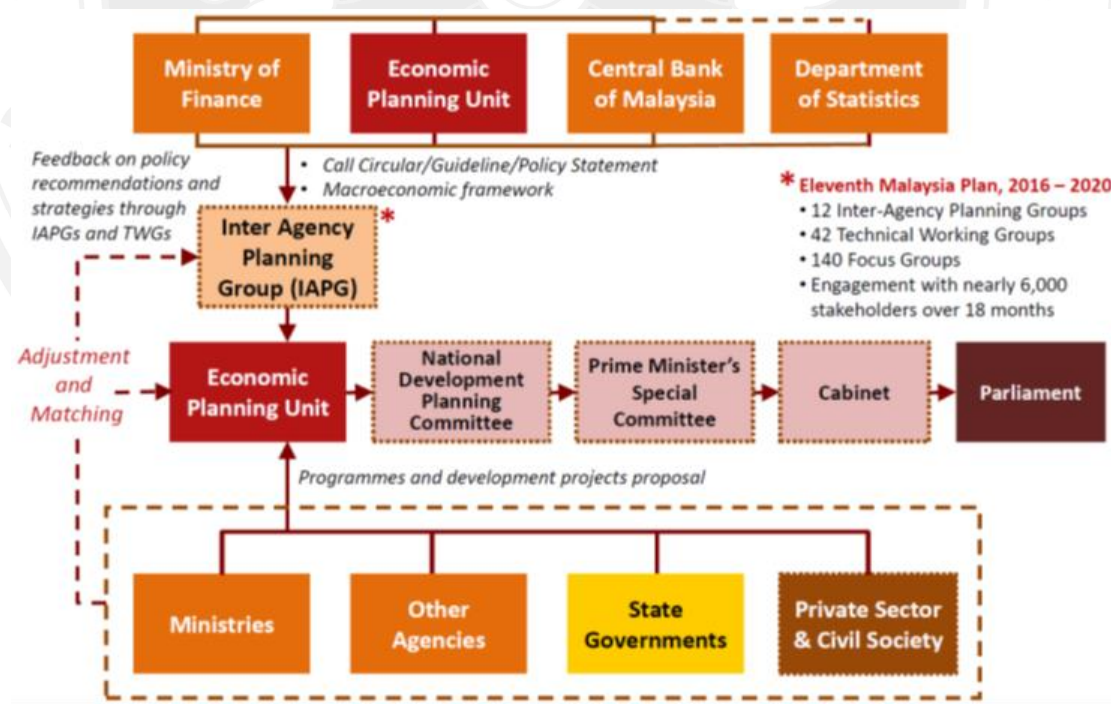


Figure 5.5 Malaysia's Planning Cycle and the Role of Government Bodies

Source: World Bank, 2017b.

Planning activities are as following.

1) The process begins in January with the EPU issuing “a call circular” to all ministries and related agencies in order to obtain figures for the next fiscal year budget estimation. The circular explains the strategic thrusts of the coming MP and its key result areas, outcomes, and strategies. Guidelines for preparing budget proposals are also given.

2) Ministries and agencies prepare their proposals for funding that must be in line with the strategic thrusts of the five-year plan. This is for the development budget only.

3) Ministries submit the project proposals to the EPU and the MoF, detailing estimated costs. By March the MOF receives the fiscal suggestions.

4) A preliminary hearing takes place by April followed by the budget hearing between May and July.

5) The EPU aggregates these budget proposals and their estimated expenditures, which becomes the basis for a shadow expenditure ceiling for the five-year plan.

6) The NDPC reviews and approves the plan followed by a review by the Prime Minister and his special committee. Once it is approved by the Prime Minister it will be submitted to the Cabinet for approval and the Parliament respectively.

7) The budget document will be tabled to the House of Parliament where from September to December the MPS can debate and pass the budget. The government priorities and intended spending plan amendments are doable followed by Senate approval.

8) After approval the MoF will issue a Warrant of the Expenditure for the government agencies to execute the budget. The MOF is the center for drafting, implementing, and executing the budget plan.

Main Activities	2013	2014				2015	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2
KSN's letter on the 11MP Preparation	29 Oct						
Updating Macroeconomic Framework	Oct	Mar		Jul	Oct	Mar	
IAPG, TWG and FG Meetings	Dec	Jan - Sep					
Preparation of Strategy Papers			Apr - Sep				
Consistency and Editorial for Strategy papers				Jul - Dec			
Issuance of Development Budget Circular on 11MP				Sep			
Briefing to Ministries/Government Agencies/State Government				Jul - Aug			
Preparation of Main Document				Jul - Dec			
Consistency and Editorial Work on Main Document					Oct - Mar		
Translation of 11MP Document					Oct - Mar		
Presentation of Strategy Papers to NDPC						Mar	
Presentation of the 11MP Document to NDPC						Mar	
Presentation to Prime Minister's Special Committee						Feb	
Presentation to Cabinet						Mar	
Printing							May
Tabling the 11 MP in Parliament							Jun

Figure 5.6 Planning Activities and Timeline

Source: Haron, 2014.

Project selection

At the project selection stage, the EPU analyzes the submitted project proposals based on the sectoral ceilings that it has set beforehand. The framework for assessment is as follows: 1) the budget ceilings allocated for each sector and prioritization according to the national development goals; and 2) public finance management discipline. The criteria are, for example, the readiness of the project (e.g., land acquisition), consistency with the overall objectives of national policies and plans, project viability financially and implementation capacity, and growth promotion and project stage

Project priority is decided by a committee where the EPU, MoF, ICU, PSD and technical agencies such as the Public Works Department and other relevant ministries and agencies are members. The committee prioritizes the proposals based on criteria such as targets, concepts, programs, objectives, and scope and costs. After that the list of projects is determined the Budget Examination Committee chaired by the EPU Director General, who will begin the work. Members are the EPU top management. The project lists are then consolidated and examined. At this stage the

committee may reallocate the development budget among sectors based on the priority and quality of the projects submitted. The concluding list of projects is submitted to the MoF to look at the financial and the country's fiscal aspects for parliamentary approval. During budget formulation the cabinet may cut the budget or identify a few programs as priorities.

Budgeting

Budgetary preparation is mainly performed by the Development Budget Section in the EPU and MOF. The EPU provides a ceiling and input to the annual budget process, led by the MOF. At the beginning of the budget process the MoF and EPU prepare an economic and fiscal report reviewing national and global economic developments and project fiscal revenues and expenditures under various macroeconomic assumptions. The fiscal report presents an annual outlook and concentrates on the cash flows of the federal government. The information serves as the basis for the Cabinet to determine the fiscal strategy and overall spending ceiling for the next fiscal year. The MoF then allocates indicative ceilings to the ministries for ongoing programs. The expenditure budget consists of two parts, the operating budget and the development budget, which are voted on separately.

The Operating budget covers two types of expenditure: charged and supply.

Charged expenditure, which is provided for by law, is for obligatory payments such as royal allowances; the salary of the president, chief justices, judges, president of the Senate, speaker of the House, the Auditor General, and the Public Services Commission; and settlement of public debt.

Supply expenditure is for routine expenditures maintained by the annual vote of the Parliament, such as salaries and other administrative expenses of government agencies. There are 52 supply budget headings (covering all ministries and departments) voted on in the operating budget.

The development budget or capital budget is based on projects that have been approved by the MP. This type of budget includes, for instance, infrastructure development and maintenance, industrial development, sectoral development, for instance, agricultural marketing, the provision of public health such as hospitals, sanitation, sewerage, and water supplies and public administration, and

the provision and maintenance of public services. The sectoral sections in the EPU are responsible for development budget preparation. The EPU sets the ceiling for sectoral development expenditure based on general development expenditure allocation, which must not exceed the project ceilings. The ceilings of the development budget are estimated through consultation and feedback from the MoF.

One of the most important features of the EPU in connecting the plan and its implementation is the control over the development budget, where the source of authority is the Development Funds Act 1966. The EPU is accountable for the determination of the ceiling of the development budget and approval of new programs and projects prepared by the planning sections of line ministries and departments and mediated by the EPU. The MoF through the NBO is responsible for operating budget preparation where the source of authority is the Financial Procedures Act 1957. The Act provides the NBO with control and management of public finances, and financial and accounting procedures, including procedures for the collection, custody, and payment of the public money of the federation and of states, and the purchase, custody, and disposal of public property, except the land of the federation and of the states. The operating budget is prepared by the budget sections of the implementing agencies and mediated by the NBO.

The budget formulation motion involves four major steps; namely budget requests, budget examinations, budget recommendations and budget approvals (Hassan and Tan, 2012). Malaysia's budget process is a bottom-up approach. There are a number of engagements of different groups where the line ministries play a vital role in budget preparation. The Finance Minister, his/her senior officers, and corporate leaders will convene a budget dialogue to discuss what policies should be introduced or continued in the next fiscal year. Each line ministry usually organizes annual dialogues with the private sector focusing on its main policies and functions. In addition, each can form committees and task forces to discuss with the private sector and different groups any matters related to the budget or any economic policies that should be contained in the next year budget. Member of parliament from the opposition is also invited to assist in budget preparation. The EPU and MoF analyze annual budget proposals from the ministries, government agencies, and state governments together.

Prior to the Tenth MP the EPU allocated the budget on a five-year basis with a fixed ceiling. The government changed it to a two-year rolling plan cycle because the five-year estimation and allocation did not fit on-going implementation or the country's public finance situation. With an annual review the Malaysian government anticipates a better linkage between planning and implementation. Changes or cost variations to ongoing projects must get approval from the EPU's Development Budget Section.

Implementation coordination

Ensuring the progress of implementation is focused on development projects, such as schools, roads, and hospitals. The ICU coordinates and monitors according to two types of performance: the extent of the physical completion of the project (e.g. land acquired, building complete); and financial disbursement on programs and projects versus the allocation. It also monitors implementation at the ministry and agency level and coordinates development programs and projects involving more than one ministry. Directive No.1, 2018: Implementation Coordination Machinery is the source of the power of the ICU to coordinate and monitor the progress and to solve delays in programs and projects at federal, state, and district levels.

The responsibility of the ICU is summarized as follows.

- 1) Identifies the problems encountered in implementation and the reasons for any gaps between planned and actual performance
- 2) Gives feedback on project implementation to top management for remedial or corrective action
- 3) Provides advice and technical support for planning, implementation, monitoring, and project management to all government agencies
- 4) Manages the National Indicator Databank where the outcome indicators are available for matching with programs and projects
- 5) Is the secretariat for the National Action Working Committee (NAWC) chaired by Chief Secretary to the Government and the National Action Council (NAC), which is the highest level in the governance of national development monitoring chaired by the Prime Minister (Stolyarenko, 2014)

6) Is responsible for preparing the implementation assessment report and presents it quarterly to the NAWC. If there is any unsolved implementation issue it will be brought to the NAC. As a result, the ICU is the clearing house for evaluation exercises.



Figure 5.7 Malaysia's Implementation Machinery

Source: Dahlan, 2017.

The ICU performs monitoring and evaluation through implementation machinery; namely, the NAWC and NAC. The ICU has provincial and district level offices and is supported by problem-solving bodies at different levels, including the District Action Committee (DAC) and the State Action Committee. On the other hand, each state has a State Action Council (SAC) and a State Action Working Committee (SAWC), as the state owns the implementation coordination mechanism. As a result, the monitoring of plan implementation and the reporting system takes place through a multi-tiered management system of reporting committees and councils from districts to states to the center.

The EPU also performs monitoring of implementation results by its sectoral divisions. The EPU's sectoral section oversees the microeconomic sector, such as infrastructure, agriculture, security, and energy. It is tasked with dealing with

respective ministries based on the approved projects and monitoring implementation of approved programs and projects. It receives updates on progress and reports shortfalls and reasons for delays to the EPU management. The EPU budget divisions are responsible for budget planning and monitoring the overall budget allocation and spending performance of the development expenditure. Sectoral officers have to report to the Budget Division. Results of spending performance are presented to the Director General of the EPU. It is, however, the sectoral division that holds the responsibility for reporting and explaining why spending performance is lower than what was planned because they are the ones that know best what happens “on the ground.”

In the past, the EPU reviewed the performance of the line ministries every two years, requiring ministries to submit reports in prescribed forms. Today the EPU relies on manual follow-ups and personal relationships in the form of text or PowerPoint format. This presents a laggard and low awareness of the EPU in terms of pursuing the role of implementing coordination and monitoring. During the Eighth and Ninth MPs the EPU established an implementation monitoring system for the initiative stated in the Plan. The initiative had its own milestones and targets. The EPU monitored them, but it was terminated for the Eleventh MP.

Monitoring and Evaluation

The ICU also has a monthly meeting with the EPU and the MoF. The ICU also has a monthly meeting with the line ministries. The ICU officers in the states pick up and report issues that the line agencies or states do not want to “put onto the table.” It is compulsory for ICU staff members to make site visits. The number of site visits per month is an indicator that enables the ICU in Putrajaya to uncover implementation bottlenecks. There is a secretary general and a director general of the KPIs that have 20 meetings per year each. The secretary general is also required to make five visits per month to see projects with his or her own eyes and to make a report which in a way makes them not want their KPIs to be jeopardized.

Although the ICU is criticized for being an arm of the prime minister to accelerate physical development projects in particular constituencies, its outstanding role is done with the help of the Project Monitoring System or PMS II, a web-based software. This argument is supported by the location of the ICU in the

prime minister's building. The EPU is in a different compound from other central agencies, such as the MAMPU, which is located one kilometer away from the PMO. The location of the ICU suggests that execution is a primary concern of the government.

Budgeting has been a pivotal part of performance evaluation since 1969. Among developing countries, Malaysia has been at the forefront of budget and finance reform. Its budgetary reform efforts have been in response to the competitiveness development to realize Vision 2020. The focus has been to enhance accountability and financial discipline among government entities in carrying out the socioeconomic development plans for the country (Siddiquee, 2014). The main driver is the National Budget Office in the MoF and INTAN. The development of the budgeting system is as follows.

Line Item Budgeting System (1957-1968)

Before the 1960s Malaysia implemented a line item budgeting system adopted from the British upon independence. Line item budgeting focuses on input control, and is highly centralized. The primary concern in budget allocation is to provide details of expenditures required. Outputs and impacts are of less primary concern.

Program Performance Budgeting System (PPBS) (1969-1990)

In 1969 the budgetary system was an effort to replace the organization's performance to program performance by managing outputs and the impact of programs and activities in the government. All departments had to propose their budgets from a cost benefit analysis for better decisions on the allocation of resources and monitoring (Xavier, 1996). The MoF introduced a simplified coding classification for expenditure and revenue to help improve the budgeting process and monitoring. The objectives for the programs and projects and quantifiable targets as well as outputs had to be identified. Nonetheless, it turned out that the PPBS centered around efficiency of spending rather than programming and program performance (Poocharoen, 2005). The PPBS failed to fully integrate the operating and development budgets and personnel performance management.

Modified Budgeting System (MBS) (1990-2012)

As the forefront of government reform, particularly to improve prudent fiscal management (International Monetary Fund, 2015), the MBS was introduced in 1989. The MBS centered around logical linkages between input, output, and the impacts of a program. One of the key features of the MBS is program agreements, known in Malaysia as the Program Logic Chart, among all government agencies, federal departments, and statutory bodies with the MOF indicating outputs and the activities to be achieved with the allocation approved. At the end of the year the line ministries that have missed the target have to prepare an exception report explaining the extent of the missed target and a remedy to avoid a recurrence. The MBS seeks to evaluate the activities of the program at least once in a cycle of five years. A major improvement of the MBS was an improved process of budget scrutinization through the preparation and examination of the development and operating budgets done at the same time, in separate exercises though. Nevertheless, the MBS does not incorporate a personnel performance system. As a result, the linkages among budget performance, resource usage, and policy implementation have remained limited. Strategic planning is not an effective part of the planning or budget preparation carried out by the line ministries.

Outcome-Based Budgeting (OBB) (2012)

In the late 1990s, Malaysia developed an integrated results-based management (IRBM) system comprising a results-based budget system, a results-based personnel performance system, a results-based management information system, and results-based monitoring and framework (Morra-Imas and Rist, 2009). Announced by Najib as the Finance Minister during the 2010 budget speech to the Parliament in October 2009, OBB was to be developed in 2010 and would be implemented beginning from the Tenth MP. Under the OBB approach, emphasis was to be placed on the impact and effectiveness of projects and programs, compared with expenditure and output, and centered around a value-for-money basis. An outcome-based approach (OBA) must be adopted to development planning. The IRBM system strengthens the connection between organization and personnel performance through performance reports that provide better planning, implementation, and M&E to support the Tenth MP (2011-2015), the GTP and ETP and alignment between budget

with national strategic priority program and project with multiplier effects. Key result areas (KRAs) or national priority targeted outcomes and their national key performance indicators (KPIs) were identified by the EPU to ensure policy focus at the national level and implementation at the ministerial levels. From the strategies, outcomes, and related KPIs, each ministry develops its own KRAs (Ministry KRAs), resultant outcomes and strategies, and KPIs. OBB fosters a connection among national and ministerial priorities, and programing. Planning and budgeting must be fundamentally linked to outcomes and impacts and to better integrate planning and budgeting.

Before the Tenth MP every implementing agency and state had to submit their continued projects and new ones and budget proposal throughout the five years of the Plan. With OBM, implementing agency and states submit projects every two years. The Malaysian government hopes that this will offer more flexibility, realistic analysis, and better cash flow management. One of the innovative instruments introduced to compliment OBB is MyResults, an online national integrated performance management system. It is a centralized performance management information system for budget submission, budget review and verification, and performance monitoring and reporting. The ministries can access information about their program objectives, resource utilization, activity completion, output generation, and outcomes and impact achievement from the system for evaluation purposes. The evaluation report will later be used to assess the importance and relevance of the program or activity, and to help managers decide whether it should be continued, revamped, or stopped. Performance results are reported to the NBO. MyResults, which covers all ministries and agencies, is linked to all other M&E systems within the ministries and other agencies and contributes to the Malaysia Plan. MyResults information is collected through a reporting structure of MKRAs, managed by ministry delivery units. PEMANDU monitors NKRAAs and monitors the progress on key initiatives, bringing these together with MKRAs to create progress reports for the cabinet.

Promotion of the evaluation practice in Malaysia was stipulated by a very productive tri-party cooperation established among the public sector, the MoF, the private sector by CeDRE International, volunteer organizations for professional

evaluation of civil society, the Malaysian Evaluation Society (Stolyarenko, 2014). The MoF plays a pivotal role in designing strategies, and in initiating, promoting, and implementing intervention. The MoF has used the monitoring and evaluation for public resource management. CeDRE_International has been a strong advocate of monitoring and evaluation for development results. In the framework of this cooperation, the MoF and CeDRE in collaboration with RMIT University, Australia, have delivered a series of Train the Trainers in the evaluation of 40 key mid-level officials across six ministries to drive evaluation agenda in Malaysia's public sector. In addition, so far about two hundred middle- to senior-level key officials from across the government have been trained in IRBM introduced in the 1990s by Dr. Arunaselam Rasappan from CeDRE International and the OBB system. Monitoring and evaluation has become key among four elements in the OBB system under the IRBM initiative in the government (Stolyarenko, 2014). OBB has received high-level support from the MOF secretary-general and the national budget director. The Ministry's OBB Implementation Committee, the Program Performance Management Committee, and the Activity Performance Management Committee were established. A special independent OBB team led by Koshy Thomas, former Under Secretary of the NBO, was set up. It is based on the Performance Management and Evaluation Sector of the NBO to accelerate the implementation of OBB through a series of capacity building activities and MIS that facilitate planning, monitoring, and M&E. The NBO works closely with each ministry to define outcome statements and to create specific interventions to address identified problems, using a logical framework methodology. OBB enables the NBO to better identify potential duplication across spending agencies, and better allocation and technical efficiency in public management (International Monetary Fund, 2015).

In short, the NBO is an advocate of the integration between planning and budgeting, while the role of the EPU in this area is unclear. John Xavier states that "they (NBO) have been reforming PPBS, MBS, OBS and now Zero Based Budgeting. In a way we can't fault them. They have done their file." However, concern about the advancement of the budget system was raised by Koshy Thomas (2019) as the follows:

OBB, me and Dr. Arunaselam Rasappan and my team we set up a team in Treasury called OBB Task force. I was headed the team...Dr. Arunaselam Rasappan was integral part of it. Again, it's a human factor. I left. I lived in Cambodia for 2 years. They also have 20-year program...When I came back here nothing is moving.

In sum, Malaysia's five-year development planning has been greatly benefited by the centralization of planning and development budgeting where different executive agencies perform different roles in the planning cycle. On the other hand, the NBO has supplied a bill act that guides the cost of operations and financial portfolios (Henderson, Hulme, Phillips, & Nur, 2002). The planning is supported by institutional arrangements and a legal framework that allow the EPU to exercise its power vertically and horizontally. The EPU to enjoy the chairmanships of the prime minister in the NPC and the chief secretary to the government in the NDPC that help to coordinate and oversee planning matters. Since being commissioned in the 1960s, the EPU has taken the leading role in the formulation of Malaysia's medium- and long-term development strategies. It is recognized as the center of all the statistical data for macro and sectoral planning. The planning machinery serves as a formal network where the EPU can associate with different government entities—federal and state—and the private sector, actors, as well as stakeholders and interest groups and entry points where past policy, programs, and projects, and demands are discussed. In terms of monitoring and evaluation, without culture and changes in the inter-ministerial coordination supported by leadership from the top, it is difficult to say that the NBO has successfully used OBB to improve the connection between planning and budgeting. The evolution of the budget system seems to fall within the leadership of groups of people.

The explanation in the following section focuses on the legal framework and the EPU's policy guideline for development programs and project design as a critical part of Malaysia Planning. It is, in fact, a pivotal element that makes the Malaysia Plan a critical operational instrument for the country's development.

5.3.1.2 Existence of laws and regulations determining roles and relationships

The power of the EPU in integrating development programs and projects stem from three major sources.

1) Circular of chief secretary to the government

The EPU according to the Development Budget Section exercises its power to gain full cooperation from states and public organizations through the Chief Secretary of the Government as the Chairman of the NDPC.

Eleventh Malaysia Plan (11thMP)
Economic Planning Unit
Prime Minister's Department Level 4, Block B5,
62502 PUTRAJAYA

Attention: En. Adam bin Sulong
Director of Budget Section
Tel: 03 8872 5446/ 5451/ 5453/ 5971/ 5449
Fax: 03 8888 3768
E-mail: rmk11_gp@epu.gov.my

All ministries/agencies/federal statutory bodies/public higher education institutions (IPTA) and state governments are requested to render full cooperation in ensuring that the preparation of the 11thMP is carried out successfully. 11thMP is a roadmap outlining the indicative planning for national development from 2016-2020 with the ultimate aim of making Malaysia a high-income and developed nation by 2020.

"SERVING THE NATION"



(TAN SRI DR. ALI HAMSA)
Chief Secretary to the Government
Chairman
National Development Planning Commission
PRIME MINISTER'S DEPARTMENT
PUTRAJAYA
19 December 2014
26 Safar 1436

Figure 5.8 Circular of Chief Secretary to the Government in Preparation of the Eleventh MP

Source: World Bank, 2017a.

2) Development Funds Act 1966 (Revised 1989)

This Act covers capital assets that can be applied as federal development expenditure. It includes asset building in social and economic sectors, public service delivery, and enables environmental development. Details are as follows:

(1) The construction, improvement, extension, enlargement, and replacement of buildings and works, and the provision, acquisition, improvement, and replacement of other capital assets (including vehicles, vessels, aircraft, rolling stock, machinery, instruments, and equipment) for or with regard to, for instance, drainage and irrigation; public roads, bridges, ferries, railways, and airways, and other means of communication; public offices; defense and internal security; ports; telecommunications and broadcasting; the production, distribution, and supply of water power, electricity, gas and other forms of power and energy; education, museums, laboratories, and scientific research; hospitals, and medical and health institutions; public health, sanitation, and water supplies; housing and urban renewal; repair and maintenance of public property; public administration and the provision and maintenance of public services; industrial development; tourist resorts and other tourist development; agricultural marketing; and family planning.

(2) Land acquisition

(3) Undertaking surveys, research, or investigation as preparatory for the above areas

(4) Personal remunerations or incident charges to carry out the above

(5) Grants and loans to any government in Malaysia and grants and loans to or investment in public and statutory authorities

(6) Some types of government payment and loans

3) Circular on Guideline for Planning and Preparation of Development Programmes and Projects

Beginning with the Tenth MP, the EPU Director General issued a Circular on a Guideline for Planning and Preparation of Development Programmes and Projects, where the design of development programs and projects of line ministries has to be in line before submitting these development programs and

projects to the EPU for approval. The Circular details the steps and technical aspects that line ministry has to carefully perform before submitting the development programs and projects to the EPU for approval. The EPU also requires that application for development programs and projects be in line with other guidelines, such as Guidelines on Value Management applied for projects with a minimum value of 50 million ringgits; and a Guideline and Regulations for Site Selection and Project Equipment Needs.

Guidelines for conducting feasibility study, including market analysis, technical analysis and project design, environmental analysis, financial analysis, economic analysis, social analysis and organization and labor analysis are also offered. The objective of these guidelines is to ensure that the ministerial outcomes and KPIs are set and measurable in accordance with the NKRA. In addition, there is the Handbook for Logical Framework Analysis which explains how development programs and projects should be identified and analyzed based on the logical framework approach. It helps the line ministry to think about the structure of the program/project logically, to test the internal logic, to establish measurable objectives, and to determine the method of implementation and overall cost. The NBO exercises its power in budgeting, financial management, and evaluation particularly through financial management versus outcome aspects from three major sources: The Financial Procedures Act (1957), Treasury Instructions and Circulars of the finance minister, and Guidelines in Conducting Development Program Evaluation.

4) Financial Procedures Act (1957)

Under the Act and the Treasury Instructions and Circulars the finance minister, Controlling Officers that are generally the secretary-general of ministries or the head of a major department or agency, are appointed. A Budget Steering Committee, led by the Controlling Officer, is responsible for the policymaking, planning, and budgeting of each ministry. The budget officers of the NBO join the EPU at the early stage of MP formulation. They handle budgeting following the EPU decisions on development budgets. The program manager is appointed in line ministries to systematically think about the problem and result chain from input to output. Program agreements are the basis for budget negotiation with the Treasury and are scrutinized by relevant central agencies, such as the PSD.

Performance standards such as impacts, outputs, and costs are determined in a program agreement between the ministry's steering committee and the program manager responsible for delivery of the services. The NBO can request the EPU to modify or slash the proposed budget based on the country's fiscal space.

As a result, based on laws and regulations, the roles and relationships in planning and budgeting between the EPU and NBO are clearly distinguished. The EPU primarily carries out and determines development directions, whereas the NBO focuses on financial management. The NBO is “second fiddle” to the EPU for long-term planning and expenditure allocation. However, it plays a vigorous role in the annual budget process (Brown, Ali, & Muda, 2004). The NBO is able to decide to cut or increase the development expenditure for the programs and projects proposed by the EPU. The authority and power of the NBO in promoting sound planning was explained by Koshy Thomas (2019) as follows:

The Treasury, the Public Service Department. We are very powerful. Public Service Department handles human resource. Treasury handles all the money. So, we issued directives. It becomes directives. So, even for evaluation we don't have to do a law. We prefer to do it by directives-secretary general's directives. The authority all lies under Secretary General and it becomes the Treasury Circulars-almost like law. You have to follow.

With the separation of the budgeting system, concern for disintegration of policy and fiscal management, both in the short term and medium term, was raised among the international organizations (Brumby, 2010). In this study it is argued that the parallel system among others, in fact, allows the NBO to be kept in the loop of the five-year plan preparation and development budget decisions. Such a condition keeps plans and implementations of plans aligned. The relationship between the EPU and MoF and the importance of the IAPG and TWG that help to close the gap between planning and budgeting were described by a senior manager in a sectoral section in the EPU: “Project is multi-year. MoF is the one who provides cash. If you approve multi million dollars a year for a project. MoF will be shocked. That's why we keep them in the loop. IAPG and TWG keep the loop going.”

The power equilibrium has reinforced the NBO to become a champion of outcome-based management because it wants to make sure of the efficiency of spending and what the country gets in return as has been seen in the continuous reform of the budgeting system.

A senior public sector specialist at World Bank Malaysia underscored the rivalry between the EPU and the MoF that results in the betterment of outcome-based management and budgeting as follows:

When there are two ministries are competing, no ministry would like to be subservient. This is my blueprint. The ministry will ask “you consult me, do you ask my view, you ask my leadership”. Ministry of Finance, when the competition is really intense, they will ask more evidence. I ask more questions. Why are you come up with this project, to fund this project.

The ICU’s source of power for implementation coordination and evaluation is from the Guidelines in Conducting Development Program Evaluation.

5) Guidelines in Conducting Development Program Evaluation

In 1957 the second Prime Minister Tun Abdul Razak Hussein introduced the Red Book system to track project progress. Then it was followed by the Project Management System I in 1971. The government ministries submit project progress reports in hard copy to the ICU. In 2005 the Malaysian government introduced Guidelines in Conducting Development Program Evaluation to shift from outputs to outcome-based evaluations. The Guidelines provide a methodology for evaluating outcomes to improve the quality of future development plans and information about program impacts. Outcome evaluation is applied to the programs/projects of federal- and state-level ministries and agencies which are funded by development expenditure only. In order to support project monitoring PMS II was introduced in 2005. It is an online system that links to all ministries as well as government departments and agencies that monitor projects from the initial application stage through completion. Ministries, government agencies, and local governments feed in current information on their projects—including status of

implementation, budgets and payments, changes in the project budget or scope, reports on challenges and issues, and even photos. This information is shared across all other ministries and agencies from the beginning stage. The downside is that the system is useful only for monitoring physical projects. In addition, the ICU conducts a summative evaluation every five years on criteria such as programs of national interest, the number of beneficiaries, high program costs, and those with high multiplier effects (Stolyarenko, 2014). Formative evaluation is undertaken annually. Once evaluation is completed, it must be presented to the NAWC, chaired by the Chief Secretary to the Government and the NAC accordingly, the highest decision-making body for evaluation presentation and reporting chaired by the Prime Minister. The ICU has 3 sessions with the ministries a year where they present information on the outcome evaluations. The parliament receives evaluation results once a year (Stolyarenko, 2014).

Outcome evaluation is also performed on completed projects. The most common tools used are cost benefits and the Citizen Satisfaction Index analysis. The evaluation results are given to the EPU for reviewing and prioritizing development agenda and development projects (Ahmad and Nasrul, 2011). This information will be used when line ministries make proposals for new programs. More importantly, they are utilized by the EPU, NBO, and ICU for project approval during the project bidding process, and whether budget allocation will be increased or decreased. The aggregated results of a program under a ministry/agency forms a part of the key performance indicator of the secretary-general/director-general. The key performance indicator which is calculated at year's end serves as a report card on the individual performance and will affect the individual's promotion (Ahmad and Nasrul, 2011).

5.3.1.3 Association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in policy analysis

Association with states, government departments and agencies, the private sector, international development partners, and sectoral ministries in policy analysis is a result of the clarity of planning policy and procedures and robust partnerships with international organizations. In addition, it is influenced by the EPU's capacity to identify stakeholders and what it wants from them at each stage of

planning, supported by legal frameworks that create an opportunity for policy analysis beyond the planning domain.

The Deputy Director for International Cooperation at the EPU stated how the relationship with the World Bank and the UNDP benefits the EPU in the analysis of various reform policies as follows:

we benefit from the experts from the Bank (World Bank) because they have people around the world like if we want to have study a governance reform, so they have experts on the governance sector...We look at also justice reform. UNDP also supports. Other development partners also support us. Not limited on economic matters. (Deputy Director for International Cooperation, February 19, 2019)

A senior manager in the Macroeconomics Section at the EPU indicated the following:

whenever MEA ask, the line agencies are very supportive when it comes to policy analysis. So, we have a very good access to data. This is institution as a whole not particular for Macroeconomics section but also other sectoral divisions also enjoy. (personal communication, June 26, 2019)

In addition, the relationship with think tanks is not quite healthy, and the EPU is seen as not taking enough into account of their opinions and sharing data and information that could contribute to a better policy analysis in general. Tricia Yeoh of IDEAS Malaysia indicated the following:

Government is so bad at sharing data. There is no centralized it. We have Department of Statistics which reports to the EPU...We have been talking about open data. Malaysia to some extent has called open data portal. All government data just put into this portal in open data format-non pdf. So public can download it and do the analysis yourselves. That would improve the ability of researcher. (personal communication July 6, 2017)

5.3.1.4 Association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation

Association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation demonstrates that the EPU has an opportunity to get feedback from them for planning. Counter arguments received make the plan realistic. More importantly it opens doors for new techniques and policy initiation, not only for planning but also for fixing implementation failure.

Regarding the planning aspect, the IAPGs and TWGs are important platforms for such engagement. The EPU roadshow to all states allows the State Economic Planning Unit to present local demands and needs. A principal director of the, Sabah State Economic Planning Unit stated the following:

The people from MEA who come for the roadshow they involve all sections both Macro and Sectoral sections. The size is about 20 people including their minister...It's half day discussion and listen what we need for the next five years and our direction. (personal communication, July 10, 2019)

The NBO is, however, commended for its open and transparent budgeting system. Before the budget is formed, an annual consultation forum with small issue-based focus groups are also organized in order to obtain views and feedback from a wide spectrum of society such as members of parliament, business associations, and ministries and non-governmental organizations. Through this process the NGOs and civil society can make presentations to convince the NBO on the substance to be covered in the budget (Yeoh, 2011).

Regarding the implementation aspect, PEMANDU as an implementation driver reflects that the EPU's weakness is putting the plan into implementation and the ability to manage effective coordination with government agencies, particularly with the EPU, NBO and ICU though.

Tan Sri Ahmad Zaki, Director-General of the ICU, indicated the following in connection with the decision of Najib to establish PEMANDU:

That's why we have PEMANDU. We started establishing PEMANDU in 2005 driven by the Prime Minister Najib because the effectiveness was not so good, and we wanted it better. That's why we have PEMANDU to drive the ministries, to think of something new-transformation. (personal communication, July 5, 2017)

In terms of the monitoring and evaluation aspect, although the EPU has budget and sectoral sections that monitor development budget spending and handle relationship with line ministries, it seems that it does not continuously enhance its monitoring and evaluation capacity. As a result, its role in monitoring and evaluation has not been recognized by the participants of this study. A senior manager in the Macroeconomics section stated the following with regard to monitoring and evaluation:

PMS II is managed by ICU but we have access from our budget division and sectoral division. For the EPU we had a MIS system before which was developed for the Tenth Malaysia Plan called Initiative Monitoring System, but it was abandoned under the Eleventh Malaysia Plan. So, we did it manually. So, they get updated from the sectoral divisions. But I'm not sure about the format. My part is to update when it is requested. Normally I will receive PowerPoint presentation on the performance. (personal communication, June 26, 2019)

The capacity of the EPU to associate with public organizations, private sector associations, think tanks, and stakeholders in planning is also supported by the UNDP and UNICEF. However, evaluation is led by the NBO and administrative tools used for planning and budgetary processes cannot serve as a national policy instrument (EvalPartners, 2016)

5.3.1.5 Transparent, participatory, engaged dialogue with public organizations, private sector associations, CSOs, think tanks, and stakeholders

There is little evidence on how the EPU carries out transparent, participatory, and engaged dialogue for planning. However, it was found that the

think tank feels that the EPU is not open enough for comments and feedback for implementation improvement or scrutinization. Tricia Yeoh (2019) explains how the third sector is unheeded by the EPU, not only in the planning but also in the policy process, which contradicts the desirable future of the Malaysia civil service, as can be seen in the following statements:

We have department of statistics which reports to the EPU. I think other ministries will have problem accessing data particularly confidential one....The main takeaway is that there is a big gap between government's plans and what we as analyst, researchers, think tanker feel not only the implementation of it but in the way it is executed because there is little contact between the government agencies and so called the intelligence here. In the future Malaysia will become more to open government which is to accept the feedback from civil society and partner and to share information, to receive honest feedback. It's not just them hearing from us but also us hearing what is being implementing. (personal communication July 6, 2017)

More supporting evidence is that Najib hired private consultants to conduct surveys and public "noise sensing" in order to create better policy and project initiation. This situation suggests that the EPU has failed to gather inputs and to communicate with the public.

Even though it cannot be conclusive that Najib set up PEMANDU because the EPU's failure in effectively engaging stakeholders, PEMANDU's labs and town hall meetings may support its low capacity (Narasimhan & Pillai, 2018).

PEMANDU used a laboratory process to connect planning and implementation and resource mobilization. The labs were where hierarchy was set aside for policy determination. It encourages innovation for transformation and inclusive problem-solving in project design. The methodology of the lab allows participation by the public and private sectors. Open Days offers the general public a chance to provide feedback. Idris Jala, the CEO of PEMANDU and former CEO of Malaysia Airlines, Najib, cabinet ministers, and the heads of the government organizations have spent substantial time in the labs and have challenged the lab

members to set challenging goals and deadlines (Lyer, 2011). PEMANDU town halls communicated what the government was going to do. They were attended by thousands of people. It was successful in raising the awareness of the public and engaging them in the policy process. They feel that their voice is listened to by the government. Such a participatory process helped Idris and his team not only to overcome structural barriers but also to create pressure on political executives to deliver results (Siddiquee, 2014).

Xavier, Siddiquee, and Mohamed (2016) describe Malaysia's failure in implementing development policy and reform as a result of the privileged status of central executive agencies, as can be seen in the following statements:

Transformational change in Malaysia was the result of pressures in the external environment and required a radical shift in behavior from policy-makers and technocrats...Previous reforms were largely designed in the 'ivory towers' of central agencies and implementation was left to the ministries.

The figure below shows the relationships among the EPU's clarity of policy, procedures, and processes that affect the participation of public policy organizations, private sector associations, CSOs, think tanks, and stakeholders in policy analysis through their systematic inclusion in the planning mechanism.

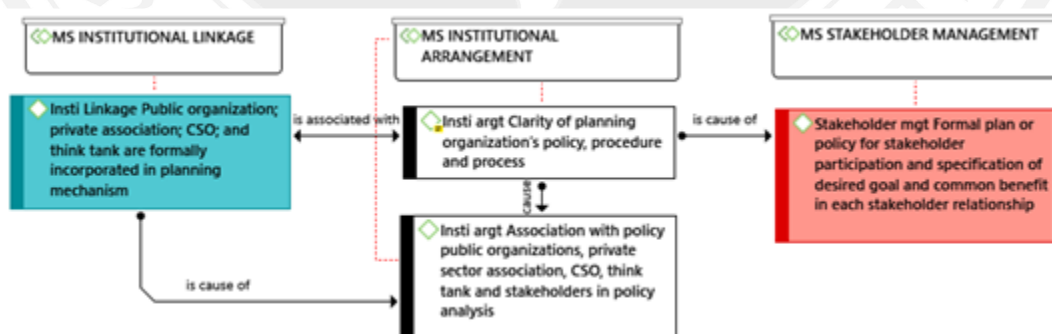


Figure 5.9 The Relationships between the Institutional Arrangements and Institutional Linages and its Effect on the Stakeholders Management

5.3.2 Institutional Linkages

The data analysis suggests that memberships, partnerships, associations, and network have the highest groundedness. Public organizations, private associations, CSOs, and think tanks are formally incorporated in planning mechanism and are significant features of institutional linkages. Public organizations, private associations, CSOs, think tanks, and international organizations are incorporated as part of the planning mechanism. Memberships, partnerships, associations, and networks are the primary formalized channels for interaction and cooperation, allowing the EPU to optimize knowledge and resources via individual and organizational exchanges. On the other hand, the structural unit and external communication are not robust and have no link with other independent variables. This might explain why the structural unit does not have a critical role in promoting institutional linkages. External communication was less talked about by the participants. On the other hand, international organizations were found to have played an active role in recent years. During the Twelfth MP formulation, which is currently ongoing, they are formally incorporated in Malaysia's planning mechanism by mobilizing experts in different fields to share insights and experience with the EPU. However, they were not recognized as a substantial development partner during the period of this study.

5.3.2.1 Memberships, partnerships, associations, and networks

The EPU has developed partnerships with international organizations such as the OECD, UN, IMF, ADB, and the World Bank in particular. The present author's earlier assumption about the EPU and international organizations was that they have strong ties with and maximize benefits of their Kuala Lumpur offices. Like other developing countries they bring in knowledge and expertise to countries through joint and reimbursable study, and knowledge exchange programs such as secondment, scholarships, and training.

This study heavily focuses on partnerships and looks specifically at Malaysia's partnership with the World Bank in order to obtain an in-depth understanding of its relationship with international organizations. Another reason is that both Malaysia and Thailand have outstanding relationships with the World Bank that can be compared and contrasted. More importantly the researcher has had direct

experience and interaction with the partnership of both countries, both as a participant and as a counterpart in their activities. Here firsthand experience with the EPU and how it handles relationships with the World Bank began with she engaged with the Planning Community of Practice (PCoP) led by the World Bank Malaysia office and the EPU. She was first assigned as a participant in the PCoP and later as an alternate member of the Steering Committee chaired by the Director General of the EPU. The researcher initially understood that the EPU plays a critical role in initiating and utilizing partnership with the World Bank Malaysia office. However, the more the author became engaged in the cooperation activities she understood that the World Bank Malaysia Office is a “Global Knowledge and Research Hub” which was opened in March 2016. The objectives are known for sharing Malaysia’s development experience with the world; conducting policy research with local and international institutions; and providing policy solutions and the Bank’s expertise to Malaysia. The partnership is very unique. The World Bank Global Knowledge and Research Hub initiative was not initiated by the EPU. It was in fact driven by the former Bank Negara governor, Tan Sri Dato’ Sri Dr. Zeti Akhtar Aziz. The World Bank Malaysia office received 100% funding from the Malaysian government. The Bank Negara houses the World Bank’s office and facilities in Sasina Kijang in Kuala Lumpur, where Bang Negera is located.

The Malaysian government and the World Bank Group signed an Establishment Agreement and a Facilities Agreement in Putrajaya on Jan 27, 2015 for the setting up of the World Bank Group Office, which would provide both operational expertise and research. In March 2016 the hub was officially opened and launched by Prime Minister Datuk Seri Najib Razak, who was then also Finance Minister. Beyond that it was Najib who supported the Bank’s existence in Malaysia. He wanted to use the Bank as a platform to promote Malaysia on the world stage. As a research hub the World Bank has to share Malaysia’s development experiences with the public in the form of publication or knowledge activities.

Najib stated during the launch of the World Bank Research Hub that the World Bank hub in Kuala Lumpur Malaysia's position as one of the region's preferred locations for international organisations....Malaysia, which used to borrow from the World Bank, is now poised for a bigger role in the international arena.”

Nonetheless, this does not mean that the EPU got involved with the World Bank by accident. The EPU is the center of the government for the World Bank Country Partnership Framework (CPF), an agreement for guiding the World Bank's country programs, which outline a selective program that the Bank carries out with government departments at a specific time. Every government department that has a program with the Bank has to submit its cooperation to the EPU for review. The EPU ensures alignment and no duplicating work, and the EPU coordinates with the World Bank and line ministries if it is a sectoral study. International organizations are always represented in the IAPGs and TWGs to provide insights and comments. The World Bank also plays a critical role in the formulation of the MP. It mobilizes experts from different fields from across the world to the EPU to support the planning. Apart from the World Bank the EPU also cooperates with the UNDP, OECD, and JICA for technical assistance and capacity building. The Deputy Director for International Cooperation, 2019, stated how the EPU benefits from the partnership with international organizations as can be seen in the following:

We look at the collaboration to build the capacity not financial aid and the experts as well. It's not WB and OECD, we also have very close collaboration with JICA. They have senior and junior experts to us. We have worked since 1960s that we work with JICA. (Deputy Director for International Cooperation, February 19, 2019)

The EPU and UNDP

Malaysia joined the UN in 1957. Since then a relationship and technical assistance between the UN and Malaysia has existed. The Malaysian UNDP has provided technical assistance programs that promote the achievement of the MPs and give recommendations for national key agendas and policy, such as inclusive growth and economic development, poverty eradication, and promoting good governance and anti-corruption (United Nations Development Programme, 2019). The UNDP's country office is responsible for carrying out the work with the government of Malaysia. The UNDP's program and work have been agreed on and guided by a five-year Country Program since 1976. The EPU is the main coordinating

agency and has authority to nominate concerned government organizations that should be responsible for any UNDP Country Program Project (United Nations Development Programme, 2015).

The EPU and OECD

The EPU also engages with the OECD with a two-year secondment program with the OECD as part of the Economic Assessment of Malaysia project. The researcher knows the secondees from the EPU and from Bank Negara from 2016 to 2018, which the EPU sent them to second the OECD headquarters in Paris. Even though the OECD nor the EPU have agreement nor partnerships, the OECD has taken EPU officials to conduct work with them. The secondees travelled to many countries to perform study with the OECD experts, including Thailand. The secondment costs nothing for the EPU except the travelling and living expenses of the officer.

5.3.2.2 International organizations are formally incorporated in the planning mechanism

The analysis shows that there is an insignificant degree of international organizations formally included in the planning through the IAPGs and TWGs. The UNDP's country office supports the design of Malaysia's national development priorities and the implementation of the Tenth MP and Eleventh MP. The World Bank has been working with the EPU through the PCoP to improve the quality of national planning capacity and of other ASEAN countries. These agencies also offer technical assistance to the EPU and with other implementing agencies with which the EPU act as the coordinating agency. The UNDP and the EPU jointly identify policy and programmatic strategies over 10 ministries and agencies, civil society organizations, academic institutions, think tanks, and the private sector.

The Deputy Director for International Cooperation, the EPU, 2019 stated the following: "So, we need that kind of experts around the world. UNDP also supports. Other development partners also support us. Not limited on economic matters. So, we put forward to anti-corruption on the reform not only economic matters." (Deputy Director for International Cooperation, February 19, 2019)

5.3.2.3 Structural Unit

The EPU has a dedicated unit that oversees overall cooperation through Country Partnership Agreements between the Malaysian government and

international organizations where the EPU is the focal point. The main unit in the EPU that is responsible for maintaining a relationship with the World Bank and other international organizations is the “International Cooperation Section under the Strategic Planning International Cooperation.” The main responsibilities are, for instance, the formulation of policies and strategies for international technical cooperation according to national priorities; coordination of technical and capital assistance from bilateral and multilateral agreements, development partners, and international organizations; the focal point for international technical cooperation in economic development; and coordination capacity building training programs.

This unit is in charge of maintaining a relationship and facilitating activities between the EPU and the Bank and also coordinating between the sectoral ministries and the Bank and with other international organizations, such as the ADB, OECD, and UNDP. Issues vary depending on the expertise and interest of the EPU. It is also the principal unit that runs the PCoP and coordinates with the central agencies in South East Asia to participate in the community. Every year, the EPU, MoF, and World Bank have an annual review meeting to report on activities and progress. At the end of year, the Bank will provide a full report on the Bank’s support to Malaysia because they are funded by the government.

Kiatpong Ariyapruchya (2019) indicated the following in connection with the role of the International Cooperation Section in strengthening governance systems and clear strategic directions for filling knowledge gaps within the EPU and among the line ministries: “For the Malaysia case it has government from the center which is strong. Najib and institution including PEMANDU and the EPU were very strong that push many co-operations.”

Further, the deputy director for International Cooperation Section at the EPU, 2019 said the following:

We have agreement between MoF with the Bank for being the knowledge hub. That’s why we have like inbound and outbound relationship with the bank. That’s the big partnership that all the assistant and collaboration is under this umbrella. Other than that, we pay for them their services to conduct the study through RAS. The International Cooperation Section is also responsible for

sub-regional cooperation, such as Indonesia Malaysia Triangle Growth (IMT-GT) and the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA), where international organizations strategically join hands in developing co-operation. (Deputy Director for International Cooperation, February 19, 2019)

5.3.2.4 Public organizations, private associations, CSOs, and think tanks are formally incorporated in the planning mechanism

Federal and state public organizations are called for full cooperation with the EPU by the chief secretary to the government's circular. Ministries /Government Agencies/State Government meet the EPU in briefings and roadshows. At this stage these agencies prepare to provide the EPU with inputs and demands. The State Economic Planning Unit and state agencies are formally included as pivotal parts of the planning mechanism. Before meeting with the EPU the states organize meetings with their respective government agencies, businesses, and stakeholders to propose development projects to the EPU. Apart from proposing development projects, they prepare strategy papers to support plan formulation and allocation. The IAPGs review past policies and programs in their respective areas in order to draft new policies, strategies, and programs, as well as to identify the targets and outcomes to be achieved. An IAPG is chaired by the deputy director general of the EPU and secretariat by the director of the EPU in that respective area. A TWG is an issue group breakdown of the IAPGs. It creates strategy papers and proposes them to the IAPGs. Under the TWG there are focus groups. The TWG supports the IAPGs in terms of smaller-scale dialogues and debates that allow for more minor groups such as the NGO and CSO that might be overlooked at a higher level of discussion. For instance, the IAPGs on Human Capital Development may have Human Capital TWGs with focus groups on the quality of education, higher education with focus groups on the outcomes of higher education, technical and vocational training with focus groups on branding and industry collaboration and the labor market with focus groups on wages and productivity and labor laws. The IAPGs and TWGs are a channel for industry players to propose their ideas and initiatives. There are a number of permanent members of the IAPG and TWG, including government organizations and

government arm's length bodies. Additional members may be called upon where it is appropriate.

Further, high level officers and development partners and international organizations are invited to the “kick-off” conferences after policies and programs begin to take shape. For example, the Deputy Chief Economist of the ADB also attended the Eleventh MP kick-off conference. The rest were representatives from the ministries and directors of state economic planning units.

However, there is no supporting evidence concerning how the CSO and think tank are progressively incorporated into the planning mechanism. It seems that think tanks like IDEAS are not included in the process and are not positive about the quality of national planning or the plan.

Tricia Yeoh (2018) stated the concern for underrepresentation of the third sector in the planning that might undermine the plan comprehensiveness, as can be seen in the following:

Yeah a lot it's too much. (plan and policy) It's hard even for analyst or researcher to keep up.... It's quite surprising that you brought it up because it's actually a little bit most simplistic now compared to the previous one. The previous plan used to be done by the EPU. The recent one was outsourced to private consultant. The problem is that you get much less detailed scrutiny of economy in terms of statistics that used to be part of the previous five-year plan. They are no longer there in the current five-year plan-the Eleventh plan. So that's the problem. (personal communication July 6, 2017)

5.3.2.5 External Communication

The EPU has a very clear mandate about communication, not just about the organization itself but for the whole country, which is the bottom line for enhancing Malaysia's role in the international community. The communication of the EPU with the World Bank is very strong and is conditioned by the Global Research hub. It is one of the original aims of the Malaysian government to promote the country's status in the international area. Ariyapruchya (2019) explained the strategy

of the Malaysian government in the sponsorship the World Bank to promote the country's development success in the world.

Malaysia is a very special case because all the funded is 100% supported by the government. They pay. The model is the government concentrates on sharing technical and experience of Malaysia. But to be honest it happened during Najib which the World Bank is seen as an image of the country. Every piece of work has to reflect Malaysia practice. (Personal communication, June 6, 2019)

The World Bank, OECD, UN, IMF and ADB provide policy recommendations and policy inputs through their country reports. For instance, the Malaysian Economic Monitor of the World Bank suggests reinvigorating growth in order to avoid the middle-income trap. The report is done twice a year. The EPU is the main counterpart of the World Bank. Up to 2019, the World Bank Global Knowledge and Research Hub had produced papers in four categories featuring 27 papers including the following:

- I. Malaysia Economic Monitor
- II. Development Digest
- III. Knowledge and research series:
 - a. Driving Performance from the Center Managing Performance with PEMANDU
 - b. Financial Inclusion in Malaysia
 - c. Open Data Readiness Assessment
 - d. Greenback 2.0 Johor Bahru Report
 - e. Budgeting for Performance in Malaysia
- IV. Feature reports:
 - f. 2017 Survey of National Development Bank
 - g. Improving Public Sector Performance
 - h. Malaysia Digital Economy
 - i. Workshop on Operationalising Planning

- V. Knowledge partnership series:
- j. Re-inventing Service Delivery Through One-Stop Shops
 - k. Motivational Interviewing
 - l. Making Drug Treatment Work
 - m. Return on Investment of Harm Reduction in Malaysia
 - n. Advancing Digital Financial Inclusion on ASEAN

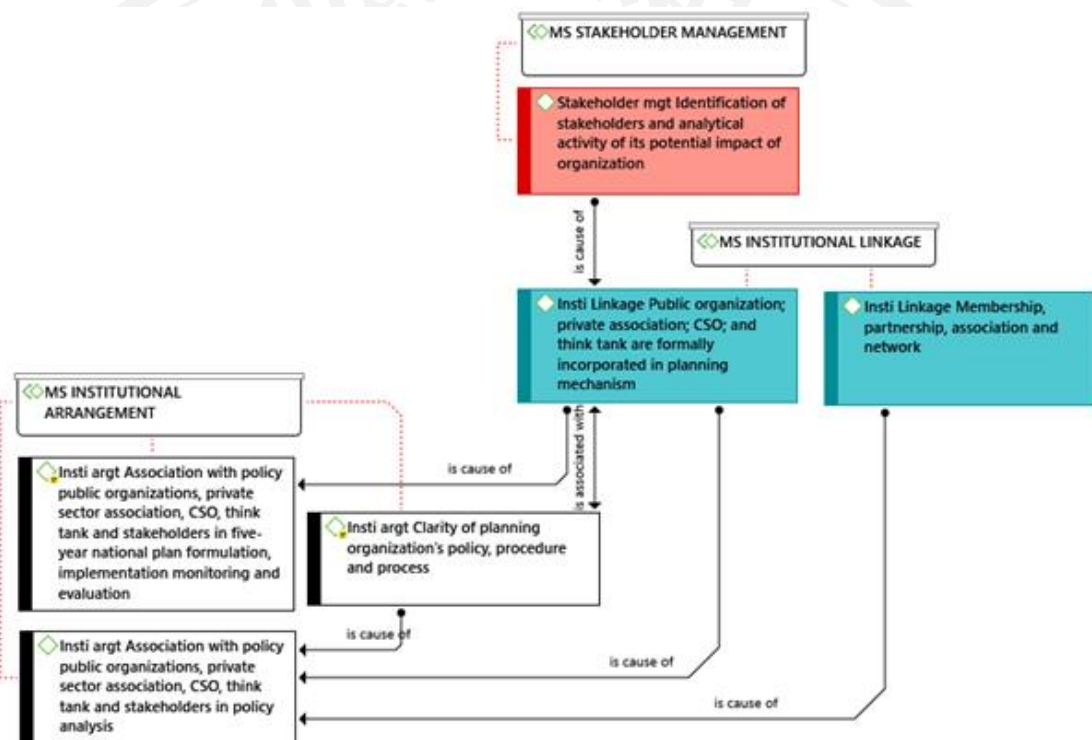


Figure 5.10 Institutional Linkage

5.3.3 Stakeholder Management

Formal plans or policies for stakeholder participation and the specification of the desired goals and common benefits in each stakeholder relationship show the strongest frequency in stakeholder management. It shows that the EPU has a clear policy of what it will obtain from each stakeholder in planning. Several documents presented by high level the EPU officials' document show that even though there is no legal document back up for stakeholder management, the IAPG and TWG are clearly described as components of institutional arrangements. The actions required

from the IAPG and TWG are clear for government organizations, consultants, development partners, and the private sector. The EPU staff and state officers who participated in this study acknowledged them and recognized the growing effort of the EPU to improve the quality of the platform.

The formal plans or policies of stakeholder participation has an association with the identification of the stakeholders and the analytical activity of its potential impact on the organization; the clarity of the planning organization's policy, procedure, and process regarding plan formulation, and execution management, monitoring, and evaluation; and association with policy public organizations, private sector associations, CSOs, think tanks and the stakeholders in five-year national plan formulation, implementation, monitoring and evaluation. This shows that the unique role of the EPU in planning and development budget decisions and authority and the ability to associate with different groups are all related. However, the skill of the EPU officials to listen to and negotiate with and to be attentive to stakeholders may not exist yet.

Without the necessary skills the EPU might fail to effectively uncover some concerns of existing stakeholders and to earn trust. In addition, the EPU may not discover new stakeholders that may have an impact on the organization's credibility and image.

5.3.3.1 Identification of stakeholders and knowledge of the potential impact of the organization

The identification of stakeholders is clearly defined by the EPU in the planning process of the MP. Their potential impacts are acknowledged. It was found that there are six major stakeholder groups. Their roles are as follows.

Table 5.1 Six Major Stakeholder Groups of the EPU

Stakeholder	Roles
Federal line ministry officers	To initiate and propose development projects and expenditures
Ministers	To agree or disagree with development projects and programs proposed

Stakeholder	Roles
Members of Parliament	To propose projects in their constituency
State economic planning unit officers	To initiate and propose development projects in consultation with local stakeholders
Industry champions	To submit their demands and initiatives through IAPGs and TWGs
International organizations	To share development experience with the EPU for setting the direction of the plan and to provide technical support for sectoral and thematic policy and program analysis

All of these are incorporated into the planning activities at different stages. Their input shapes the MP strategies and initiatives, targets, outcomes, and indicators. A principal director of the Sabah state economic planning unit stated the following regarding the appreciation for the opportunity to propose development projects: “Actually, whatever the federal is doing they will engage us. At the moment the EPU has start doing the Twelfth Malaysia Plan. So, they will call the state agencies to provide the inputs and team up for discussion.”

Stakeholders such as states and industry champions actively participate in the IAPG and TWG because they are channels to get their projects funded. Another stakeholder group that should be highlighted here is the industry champion, which is a different group in the private sector that is formally included in the planning. The industry champion has been recognized by the Malaysian Government for a long time. It is believed that it is a result of the firm stance of private sector led growth. The IAPG opens opportunity for the industry champions to propose initiatives and to be invested in by the government.

5.3.3.2 Formal plans or policies for stakeholder participation and the specification of desired goals and common benefits in each stakeholder relationship

The Chief Secretary’s circular calling for cooperation for Malaysia Plan formulation put the EPU at the center of the planning. Prior to the Chief Secretary’s circular, the EPU will conduct a roadshow to states in order to communicate about the plan’s direction. In the meantime, the states will begin

collecting information from the stakeholders and all industrial players concerning what they will need for the next five years. The line ministries in the states also engage with their local counterparts. The states also organize the IAPGs by sector industrial players, and the government, CSOs, and NGOs. Local industry players have an opportunity to express their views and to present their potential and the support that is needed from the federal government through the state economic planning unit. Their inputs are significant for briefing the EPU. The IAPG and TWG are critical channels for making their industries and concerns visible, supported by the government. In addition, these agencies use these working platforms to discuss and agree on projects, outcomes, and indicators. This mutual relationship derives from the established process between the EPU and states, the EPU and line ministries, and the EPU and private sector. Such information will later be used as feedback to the EPU for planning and forming development project proposals during the roadshow. Thus, the IAPGs and TWGs serve as a coordination mechanism and consultative process (Thomas, 2019). Apart from being a discussion platform, they act as the EPU's research arm that brings evidence and creativity into the plan.

Issues discussed during the IAPG and TWG are as follows.

- 1) Details and specific issues to be included in the MP
- 2) Key indicators and targets
- 3) Rationality, and the necessity and priority of implementing agencies and states
- 4) Development and operating budgets

A principal director of the Sabah state economic planning unit said the following in connection with the EPU recognition of the state economic planning units and available platform to ensure the interest of the states:

So, this our chance sort of the best way to get their attention to attract and hear the voices of state, for example, Sabah maybe we need more from the form federal and to make them understand what we really need...We are compiling we are collecting information from all stakeholders and all industrial players what they need for the next five years. So, the procedure is

like that the federal ask us for inputs. We give them inputs. (personal communication, July 10, 2019)

It is also required by the EPU that implementing agencies and states have to be agreed on by relevant federal and state agencies. The proposed projects have to be keyed into PMSII for discussion. The ICU as the caretaker of PMSII is also involved in the process. The EPU, ICU, MOF, and concerned government departments can look through all the projects and make comments. During the preparation of the Eighth MP, the participation of the stakeholders was rigorous. There was a total of 25 IAPGs covering a variety of issues, such as macroeconomics, human resources, poverty eradication, industrial development, and science and technology and social development. During the Eleventh MP preparation, the number of IAPGs reduced to 12 but the TWG increased. There were 42 TWGs with 140 focus groups. More than 6,000 stakeholders participated in both mechanisms for over an 18-month period. On the issue of human capital alone, there were four technical working groups and 40 focus groups. Most of the participants from the EPU, states, the MoF, and academia talked about the IAPG and TWG in a very positive way. This shows that the EPU has a solid approach to including stakeholders in the planning.

Koshy Thomas, a former NBO officer, acknowledges the significance of the IAPG and TWG and the diversity of stakeholders in the following: “Yes, if something about social economic-NGO will be there. If something about logistic and commercial development-we will get chamber of commerce and all manufacturing federation. That consultation process is the element. Pretty often.”

As a result, the IAPG and TWG are working-level mechanisms where planning officials, budget officers, implementation monitoring officers, and line ministers sit together and sort things out. Thus, the IAPG and TWG reinforce policy coordination, duplicated projects, and budget screening.

A senior manager in the Sarawak state economic planning unit indicated the following regarding the benefits of the IAPGs in obtaining insights from the stakeholders that helps bringing creativity into the plan and realistic strategic initiatives.:

We already started the IAPG last month because we need input for this roadshow for the briefing...So there two IAPGs which are state IAPG and federal IAPG...IAPG has to be built around sectors which stakeholders, industrial players, government and private sector are invited because we want to know what happens on the ground Otherwise, we will not see the real problem faced by industrial players...So, we need to take views from both sides. (personal communication, June 18, 2019)

5.3.3.3 Division devoted to handling data and information, and monitoring and balancing inter-stakeholder relationships

The EPU begins MP preparation around one year before the current plan ends. The ICU and MoF sit in different IAPGs and TWGs. The EPU serves as the Secretariat to the IAPG and TWG. An IAPG is chaired by the deputy director of the EPU and secretariat by the Director of the EPU in that respective area, whereas the TWG is chaired by the secretary-general of a ministry in that respective area and secretariat by people from that ministry. For example, the IAPG on human capital is led by the Human Capital section of the EPU. Inclusive development is handled by Inclusive Section with a focus on income distribution.

A senior manager in the Macroeconomics Section at the EPU explained as follows concerning the system and specialized bodies for handling the development issues that help to maintain relationships and to promote organizational learning:

There are lots engagement and consultation with line ministries, agencies, CSO private sector and communities up to community level. Because we have a platform IAPG. The IAPG is supported by TWG and there is another layer to support TWG which is focus group...They focus on very very details and specific issues, for example, social development there might be one IAPG on social development and there are a few TWGs like TWG on sports and on aging. So, for Sport TWG we have several focus groups focusing on sports. One could be on youth sport. Another could be sport facilities. Then the

groups will meet with the CSO that give feedback and comments. (personal communication, June 26, 2019)

Tan Sri Ahmad Zaki, Director General of the ICU, also gives supporting argument of the IAPG and TWG as an important operational platform—that key concerned agencies and central executive agencies discuss different matters for making plans work, as seen in the following:

There (IAPG and TWG) we discuss collectively the appropriateness of proposal of new projects whether to approve or reject certain projects at officer level....We started in March and we complete it in October. Now we are in midst of many committees-the TWGs and IAPGs where we evaluate proposal from the line ministries. Then the EPU, ICU, and MoF provide the inputs. In that meeting we will also evaluate outcome, progress implementation of the approved projects of the previous year whether the achieve the desired outcome or not.

5.3.3.4 Staff with necessary skills: being listening and attentive, negotiating and having knowledge about specific stakeholders

This study, while it does not take religion or culture into account for the analysis, it is believed that they characterize the way that Malaysian government officials behave and deal with matters. The present author's engagement with the government officials, particularly those that are Bumiputera and that are the majority in the public sector, due to a government quota on several occasions provided an opportunity to observe their personality and way of thinking. From the author's observation they are protective and are not reluctant to express their thoughts or to defend the benefits of the nation.

During an interview with Virat Tansakul, Head of Phang nga Provincial's Office, Ministry of Interior, who has been posted to several southern provinces, including Songkla Pattanee, Satun, Trang, Phang nga, Phuket, and Nakornsrihammarat, shared the idea that working with Malaysian officials both from the EPU and states in matters related to the IMT-GT, they have a strong

characteristic; that is, they put the national interest first and their negotiation skill is discrete. Tansakul stated the following: “I know quite a lot about Malaysia. If they get under 50% they would not go or work with Thai provinces.” (personal communication, June 19, 2019)

However, the EPU was not originally shaped with listening and attentive skills. The EPU is one of the most recognized government organizations for being a technical and prestigious institution. Things were not easy for them to shift from top-down to bottom-up that ideas, and inputs are welcomed. In the past the EPU officials did not put much effort into understanding the local context of the states and their needs. Things have changed dramatically during the past thirty years however. The EPU has “put its feet more on the ground” and has tried to have greater understanding and knowledge about least developed states.

A principal director of the Sabah State Economic Planning Unit supported this idea in the following interview passages:

They (the EPU) should learn more about population, and understand about the history of Sabah and ethnicity, different needs and different kampong (village) ways of life before they open their mouth. Sometimes they just make ridiculous comments asking this and that...What we want from the EPU is to understand us. We have different sentiments in different states...Malaysia Plan has improved a lot since I came in and involved because the federal has opened their eyes to really understand the needs less developed state in Malaysia. Thirty years ago, they might not be so concerned or considerate. They plan from their desk. Now they have been a lot of site visits and see the real situation in Sabah... It's good to know that they have listened to us. The government now is good.

5.3.3.5 Open and Transparent Atmosphere

It is undeniable that the line ministries, states, and industry players have an opportunity to voice their needs through the IAPG and TWG. Nonetheless, they still feel that the directions are still from the center because the EPU is almost in total control of what the government is going to invest for the next five years.

Malaysia is federalist, and the state governments rely heavily on the federal government budget; that is, their annual budget and investment depend a great deal on the federal government. There are only some wealthy states such as Penang and Selangor that have enough revenue from tax collection. Most of the states however are in control of land and religion. Thus, based on unequal relationships it is not necessary to put effort into creating a dialogue that is open and transparent, as a principal director of the Sabah State Economic Planning Unit indicated in the following:

MEA (the EPU) is coming to Sabah in two weeks time...So they will inform us what they want, the new policy, new vision, new trust or whatever...IAPG is to get information and input for MEA to translate into overall planning for the Malaysia Plan. Mostly they will call state persons to also attend and to participate and give input. But in IAPG we don't have power to say "no you cannot do this." MEA has the power. Of course, it's parliament but MEA is the one who recommends all the projects for next five years

Another issue is that the EPU's approach to the design of stakeholder engagement is traditional, which is consistent with limited listening skills and the attentiveness of the staff. This may be one of the reasons that Najib came up with PEMANDU, whose lab process sets aside hierarchy and encourages multisectoral perspective sharing. PEMANDU's communication efforts promote a new fashion in the transparency of government, which builds public confidence (Siddiquee, 2014). PEMANDU's way of work has a direct influence on the EPU in terms of improving its capacity, particularly regarding communication and stakeholder management, as a senior public sector specialist at the World Bank Malaysia indicated:

It's a disruptive process. Most things the EPU does, most of it or some of it is not by choice. They are, for example, so when you talk about PEMANDU-the EPU. They used to compete a lot. So, two competitions. the EPU also pushing themselves to be better. For example, stakeholder management, the EPU

always wants to do labs.... So now, they are taking up the challenges to do what the critic say they couldn't do. They put in more reports, more things to monitor, track, coordinate.

In preparation of the Eleventh MP, the EPU organized a series of labs in the format of one- to two-day retreats. The private sector and international organizations participated alongside the government to reinforce collaboration across governments and beyond. Following the labs, the EPU also prepared strategy papers on, for example, productivity, poverty reduction, health care, and transportation that support the discussions that took place during the labs and assessed the situation of the past five years. The reports also include indicators to measure the performance of each sector. The papers formed a part of the Eleventh MP.

In sum, the capability of the EPU to manage stakeholders is an effect of the clarity of EPU policy to engage stakeholders that are clearly identified and incorporated in the IAPG and TWG.

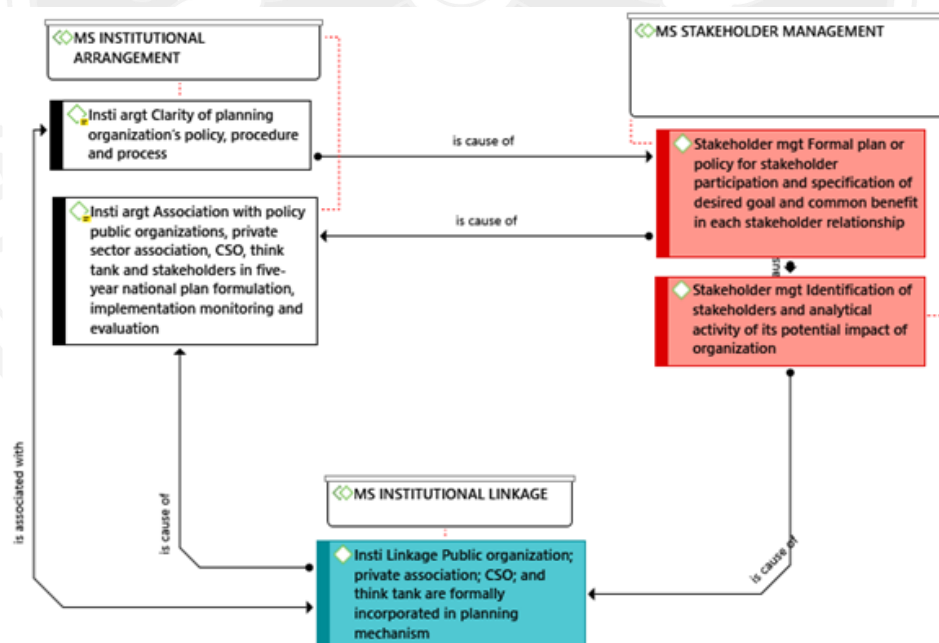


Figure 5.11 The Stakeholder Management, Institutional arrangements and Institutional Linkage

Below are some of the responses from the participants to the IAPGs and PEMANDU. The answers show that the IAPGs are rigid and rely on bureaucracy. The EPU officials are indifferent and lack empathy for people with whom they interact.



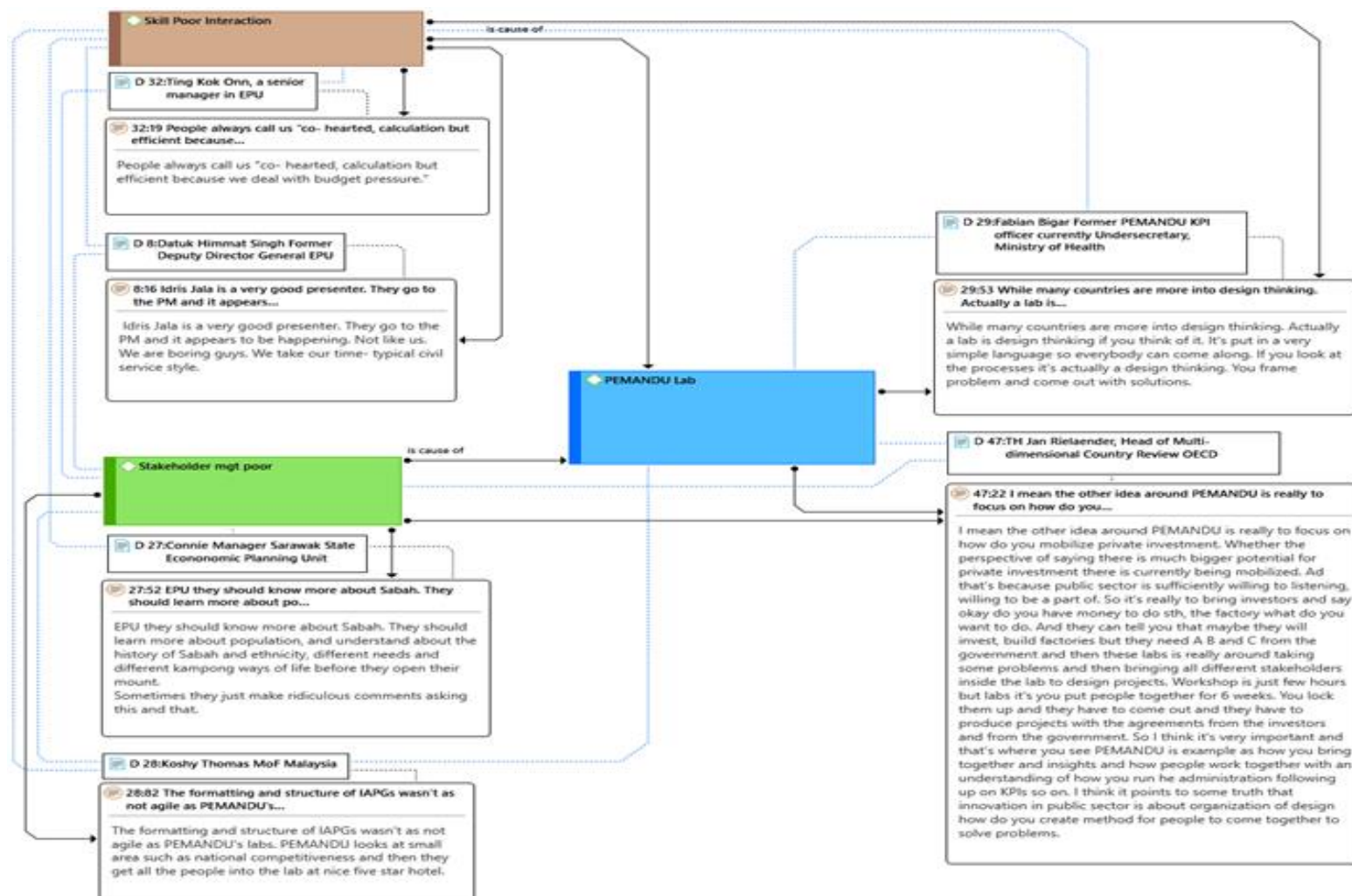


Figure 5.12 IAPGs and PEMANDU

5.3.4 Strategic Planning

Influenced by NPM, strategic planning is seen as an instrument to improve planning, budgeting, and performance monitoring and evaluation. There are two central executives; namely the NBO and MAMPU, taking a leading role in the implementation of strategic planning in Malaysia's public sector.

For the NBO strategic planning is related to the budget system. Under the OBB results framework, NKRA's, ministerial results, program level results, and activity level results were mapped respectively and logically identified. The senior program managers in the line ministries were required to use the Program Logic and Linkages model (ProLL) to strategically and systematically think about public problems, demands, and stakeholders and required inputs and expected output. The MAMPU, which in recent decades has focused more on modernizing the public sector to e-government and digital government, launched a public sector ICT strategic plan in 2003. The plan is a blueprint that defines the vision, strategic direction, and ICT development framework. Currently the Malaysian government is using ICT strategic plan 2016-2020 in response to the Eleventh MP's trust in transforming the public sector to be more efficient and productive. Further, the MAMPU has advised government organizations to prepare strategic plans. The elements of strategic plans and methodology defined by the MAMPU include, for example, the vision and mission statement, internal and external environment trend analysis, customer and stakeholder analysis, identification of strategic issues and objectives, and formulation and documentation of the action plan. In line with MAMPU policy the EPU has two strategic plans. One is the organization strategic plan and the other is the ICT strategic plan. The efforts to improve budgeting, e-government, and digital government and the capacity to plan strategically reflect the need to ensure that operations of government organizations move toward common goals efficiently. Nevertheless, the EPU's attempts were mainly to fulfill the role of a planning agency rather than managing resources and enhancing organizational capacity to adjust to the demands of clients and shifting contexts.

A senior manager in the macroeconomic division at the EPU explained that the organization has five main roles, and the organization's strategic plan is prepared to ensure that these roles are effectively carried out. First is carrying out economic

research for advising the government on economic issues; second is preparing development budgeting and setting a ceiling for the development budget; third is value management analysis for a project that costs more than 50 million ringgits; fourth is monitoring performance and the implementation of the 31 agencies under the EPU; and fifth is the secretariat to the national councils.

As a result, it is suggested that strategic planning is lacking in all areas, except the identification of implementing responsibilities and necessary resources, as there is evidence indicating that budget is allocated to particular projects to advance its strategic agenda and to improve internal monitoring and performance evaluation capacity and the reward system.

5.3.5 Knowledge Management

KM in the EPU is operated by the Human Resource Section. However, it is not systematic and is not integrated into the process or culture of the organization. This is a result from external pressure, where there has been a change in the organization from informal to a more hierarchical environment. In this past, the EPU officials enjoyed a more open environment where knowledge is passed on from senior to junior officials. A senior manager in the sectoral division said the following in this connection: “In the old days I would say it’s not knowledge transfer that was there, but you get to engage in a more intellectual discussion”

On the other hand, KM is not a vital part of the EPU—the organization has greatly benefited from being a larger part of the knowledge management system organized by the INTAN, which is called the Administrative and Diplomatic Services (ADS) scheme. There are different types of Malaysian civil servants with different schemes. One that is considered prestigious and is known to be able to take managerial positions in the public sector is ADS or in Malay Pegawai Perkhidmatan Tadbir dan Diplomatik (PTD).

ADS is regarded as premier, prestigious, and elitist because only “fresh” graduates with honors in a bachelor’s degree can apply and sit for a series of tests.

The main trait of ADS is that officials are trained for two years to be generalists⁶ (Ashraf, 2010). The posts where ADS can sit include the secretary general and deputy secretary general, the director general and deputy director general, the state secretary, and ambassadors and district officers.

ADS “amateurs” have to go through courses that equip them not only to be public administrators but also to possess the necessary technical and soft skills serving as a foundation for future leaders in Malaysia’s public sector. The short-listed candidates first take a written test and attend a 3-day competency test that includes personal qualities, knowledge, and skills. The personal qualities assessed are leadership potential, self-confidence, and the ability manage both physical and mental challenges, teamwork skills, and self-presentation. The “cream” will be qualified for an interview. Successful candidates have to pass a four-stage training. First, there is a 10-day course called “PTD Unggul.” It serves as the foundation course to cultivate the mindset of ADS officers to be excellent work-culture oriented and to see themselves as agents fulfilling the aspirations of the country and its stakeholders. This is followed by a 6-month on-the-job training with job assignments. After attachment the ADS officers attend a 6-month Diploma in Public Administration course at INTAN’s main campus in Bukit Kiara, where the ADS officers are also cultured in discipline and built to be a “super” ADS officer. Once they have completed their diploma, the ADS officers are assigned to their postings. ADS officers are required to attend training courses from time to time throughout their career. One is known as “PTD Training Roadmap M41” and keeps their knowledge and skills relevant. In terms of academics the course includes, for instance, financial management, public policy management, strategic thinking skills, project management and planning, and public sector human resource management. Skill development includes, for example, communication and interpersonal skills and accountability. ADS is a key driver of the country’s

⁶ Senior civil servants in the country are organized and classified as administrators (generalists) and professionals (specialists). Most of the senior civil servants are ADS officers who are generalists. However, at the departmental level, most departments are headed by officers from related services such as the Public Works Department headed by an engineer.

modernization and national policy and agenda, such as the NVP, NEM, and 1Malaysia (Ashraf, 2010).

Once ADS officials complete the program they can be posted to any federal government departments and some professional or enforcement departments, such as the Department of Immigration. In other words, it is, on the one hand, a privileged program that builds future managers. On the other hand, it has built a knowledge management network among the central executive agencies. In the EPU and central executive agencies and the MoF, there are a number of ADS that move between the organizations. It should be noted that all civil servants in Malaysia, except those under the states, are administered by the PSD. Their career path, post, and rotation are determined by the PSD throughout their service.

Consequently, even though the KM of the EPU is inefficient, this does not restrain it from being a part of the larger knowledge transfer network accumulation. Many of the individuals interviewed belonged to ADS. They moved from the EPU to the NBO and from the EPU to line ministries, and from the NBO to the EPU. This system indicates the mobility particularly between the EPU and NBO where opportunity for information and knowledge exchange takes place in informal relationships. More importantly, ADS help break the silo effect because good relationships enable them to overcome hierarchy and to facilitate communication. Koshy Thomas, 2019 stated the following in this connection:

Access to data...the EPU no bother. We discuss with them. Bureaucrats no problem. They are always quite willing to work with us...Here, no problem, easy. the EPU, Treasury. All bureaucrats we know each other. My friends are all there...You know the Cambodia senior officials want to come to Malaysia. The want to know how you allocate capital project...Fortunately, all my friends are senior people, it's become a phone call...MEA, they all helped me out because we all went to the training (ADS) together, the same batch. So, we are cordial."

Even though ADS has been criticized for being elitist and for having a capacity that has not yet met expectations, it is argued here that it reinforces

knowledge transfer particularly among central executive agencies in the planning process.

5.3.6 Writing

Among five elements that measure the writing skill of the EPU staff, there was only the ability to describe and visualize what was found from site visits to the political decision-makers and using the simplified language and vocabulary found in this study. Both has low groundedness. Nonetheless, three participants from a state, the World Bank, and PEMANDU highlighted a change in the style of presentations, language that the EPU has used in recent years that is presentable and more attractive.

5.3.6.1 Using simplified language and vocabulary that are common to the audience in a consultative event

Although the EPU has a solid stakeholder identification that benefits the planning, the participants in this study felt that the EPU is uncordial, as can be seen from the following from a principal director of the Sabah state economic planning unit “So, this our chance sort of the best way to get their attention to attract and hear the voices of state.”

Nonetheless, the EPU has attempted to increase the capacity to communicate with stakeholders in recent years, as Fabian Bigar, an Undersecretary of the Ministry of Health and a former Health KPI officer of PEMANDU stated: “PEMANDU has fancy slides-consultant style. Now they consider it in the government. The communication part is clearer.” (personal communication, May 19, 2019)

PEMANDU uses a consultant style communication with political executives, government officials, and the private sector and the public. The EPU then adjusts its presentation style accordingly. A principal director of the Sabah State Economic Planning Unit also emphasized that she notices increasing effort of the EPU officials to come to states to make sure that they understand the local context. In the past the EPU did not care much about the least developed states, namely Sabah and Sarawak. They tended to plan from their desk.

In order to triangulate the data, document research was performed, where a significant shift in the style of the Ninth MP was found. The Plan was

prepared in line with the National Mission. Instead of presenting five thrusts with key highlights and programs, a concise explanation of the actions of each development agenda was presented. It began with “10 Big Ideas” and how the government would go about them, for instance, “Internally driven, externally aware.” This was a headline and catchy phrase to capture the audience’s attention. In addition, the size of the Tenth MP was dramatically reduced from 559 pages of the Ninth MP to 429 pages. A glossy look, photos, and graphics with business language just like the GTP reports were prepared by PEMANDU. In the Eleventh MP, where comprehensive description remains, visualization and concise basic language were used. There have also been shifts in the format and style of presentations over the years. The Tenth MP veered toward a more succinct presentation style, including budget lines and a less rigid list of projects compared with earlier plans (World Bank, 2017a).

Yeoh (2018) also stated the following in connection with the change in the sophistication of the plan, both in terms of style and essence: “The five-year Plan is not so tough. It’s quite surprising that you brought it up because it’s actually a little bit most simplistic now compared to the previous one.”

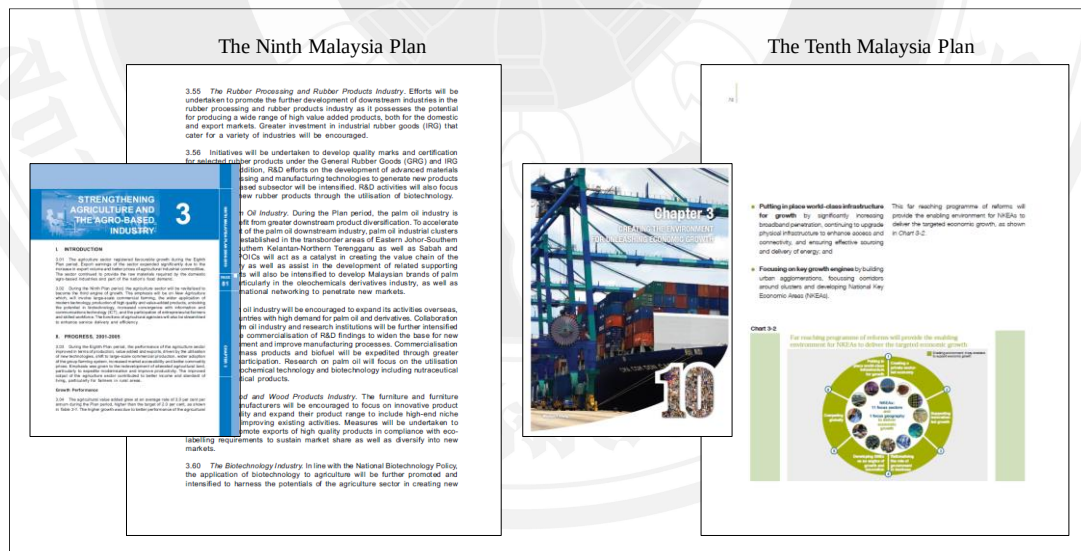


Figure 5.13 Ninth Versus Tenth Malaysia Plans

5.3.6.2 Ability to describe and visualize what is found from site visits to the political decision-makers

Based on an interview with Dato Khoo Soo Sang, a member of parliament from Johor, he does not talk much about the writing skill. He even said that “he does not both about the skill of the EPU officials just only a matter of scheduling in planning timeframe that will allow more time to gather background information for planning.” (personal communication, February 22, 2019) It could be that politicians do not bother talking about small issues like the writing skill.

However, PEMANDU’s ability to convene politicians and stakeholders underscores the low capacity of the EPU to use effective writing. Fabian Bigar explains that perhaps because PEMANDU was very successful in mobilizing the leadership of then prime minister Najib and ministers to rigorously monitor and report, the EPU was influenced by that. Fabian Bigar stated the following in this connection: “They are competing with PEMANDU to get prime minister (Najib) attention, to become relevant... PEMANDU has fancy slides-consultant style. Now they consider it in the government. The communication part la is clearer.”

Another influence might be the characteristics of Idris Jala, the CEO of PEMANDU. Datuk Chua Hong Teck, a former director of the Healthcare and Low-Income Household, PEMANDU, a director General, Public Complaints Bureau, PMO and a former EPU official explained the characteristics of Idris as follows:

He (Idris) was very diplomatic. He could tag along with civil servant. They like to work with him because of his personality and storytelling...He always tells touching and emotional stories. He always tells the story about prime minister went to a place that is no electricity for years and years. Suddenly then there is a light. No one in the EPU can do like what he does. (personal communication, April 23, 2019)

The EPU saw how powerful communication is and then absorbed the PEMANDU approach, but it may not be fast enough to present outstanding change among the political executives though. It should be noted that there is no groundedness on investment in the writing skill due to accessibility to the EPU’s

internal data. There is no publication on training and investment available. In addition, sharing manuscript discussion ideas on panels and in personal correspondence and reevaluation or modification of strategic guidelines and goals were not indicated by any participant.

5.3.7 Interaction

It was found that the interaction skill was low in all elements. This corresponds with the skill deficiency of the EPU officials in conducting stakeholder activity in an open and transparent atmosphere. It was also found that the capacity to identify concerns and to demonstrate sensitivity to the participants was low. Moreover, the absence of the provision of descriptions and explanations of the process and timeline of following actions reflects a slight chance for continued participation with stakeholders. Nevertheless, labs, workshops, and changes in the characteristics of the EPU officials have been recently recognized by the participants.

A senior manager in Macroeconomic division, the EPU shared the following: “People always call us “cold-hearted, calculation but efficient because we deal with budget pressure.”

5.3.7.1 Understanding the context of interaction, relevant substance, and having knowledge about the problem

Even though this skill is not significant, the EPU official that participated in this study was aware of and valued information from implementing organizations. A senior manager of the Macroeconomics Section of the EPU indicated the following:

I always tell them we are nothing without them. Because we can do anything that we want to do but we don’t know anything really happen on the ground. The sectoral initiatives they are driven by industry champion not even government. We appoint the industry champion oversee the implementation of initiative. So, the government only facilitates them.

His response corresponds with the data provided by a participant from Sabah where she expressed the feeling that the EPU has made more frequent visits to

states in order to gain greater understanding of the local context, the culture, and states' problems.

5.3.7.2 Ability to adjust the language according to the target audience

There are a few indications of the EPU's attempt to adjust the language to its target audience. The change in the Tenth Plan was owing to high level decisions to bring in private consultants. The BCG successfully landed itself in the EPU to help prepare the Tenth MP at no cost due to an agreement made with Dato Noriyah binti Ahmad was, former Director General of the EPU who was close to Idris Jala. Several participants from outside the public sector, namely research think tanks, the IDEAS, and the World Bank, indicated changes in the style and format of the Tenth MP that are more simplistic and that make heavy use of graphics with business PEMANDU-like language. Sectoral based presentations used in the former MPs were abandoned (Lee, & Lee, 2017).

5.3.7.3 Characteristic of planning officials being humble and reliable

It has been repeatedly indicated by the EPU officials that participated in this study that the EPU only has high level information. This is what makes the line ministries important for the EPU. A senior manager in BCG Sectoral division of the EPU said that "[l]ine agencies have information more on the ground. They feed you information. Even though you (the EPU) allocate resources, they implement. The impact is on the ground." Additionally, a senior manager in the macroeconomic division explained the following in this regard:

We actually don't really have much information of what's actually happening on the ground. So, we rely a lot on ministries through all these platforms (IAPGs and TWGs) to get feedback from the ground. So, they have improved in terms of development planning and help us to do some evaluation of program implemented.

In fact, the EPU, as mentioned earlier, are bureaucrats. They rely on system, process, and regulation. Its prestigious status in the PMO prevents the EPU officials from being humble. Fabian Bigar, who has a connection with both the EPU

and PEMANDU, describes the difference between the corporate and bureaucratic worlds below, depicting how bureaucratic and elite the EPU is as the following:

You know in civil service your position comes with a big role sort of. He (Idris) made me humbler because you know at that time, he gave me a laptop and Blackberry. That's it. So, you don't have a big office. I have a very small cubical space. Even my classmates get bigger and bigger than me. The idea is you don't need to be in 9 to 5 in the office. You just have to delivery. (personal communication, May 19, 2019)

Another aspect that should be highlighted is that the EPU is remote from implementation and monitoring. Once the plan is done, it is done. As a result, even though the EPU staff maintains a good relationship with the line ministries, there is no need for them to be humble to get things done. A senior manager in a sectoral section, the EPU said that “the EPU don't do execution.” This is supported by a senior manager in the Sarawak State Economic Planning Unit—that the EPU does not see itself in implementation and monitoring. That is why PEMANDU jumps in. With a consultant style the federal ministries may not like it but for states where changes take place, putting themselves on the groundwork is what the states want. The Sarawak State Economic Planning Unit manager stated the following regarding the approach of PEMANDU in working with states that resulted in change in the higher income level:

I think the purpose of setting up PEMANDU basically is to move some of the key areas that we want to enhance as to respond to public. I was involved with PEMANDU on the poverty eradication program because at the state level in comparison compare to the national level we were at the top three of the nation...So that gave focus to Sarawak. They gave focus on certain areas and of course certain KPIs that enhance the implementation part. The result from that PEMANDU looking at statistics the implementation started in 2010. The poverty rate in 2014 was 3.9. but now we are at 0.6%. that is the poverty line. So there is some reduction being done.

A low degree of being humble and reliable corresponds to a low degree of being transparent, participatory, being engaged dialogue and having skill in listening, being attentive, and having negotiating skill and knowledge about specific stakeholders. This suggests that the EPU planning greatly relies on bureaucratic planning rather than using a humanistic approach that focuses on enhancing individual capacity in terms of mindsets to appreciate different values in society, where planning is a tool to empower the community.

5.3.7.4 Ability to identify concerns and to demonstrate sensitivity

The ability to identify concerns and to demonstrate sensitivity was not found in this study. This was confirmed by a senior manager in the Sarawak State Economic Planning Unit, where it was indicated that the EPU puts little effort into understanding the context of the state. Cultural differences are not considered, while preparing the MP and making decisions on the development of budget are, as can be seen in the following:

They should learn more about population, and understand about the history of Sabah and ethnicity, different needs and different kampongs (village) ways of life before they open their mounts. Sometimes they just make ridiculous comments asking this and that. I know that they don't understand. What we want from the EPU is to understand us. We have different sentiments in different states.

Based on the researcher's interaction with the EPU officials, who are both her colleagues and whom she met in meetings, they are not different from Thai bureaucrats. They value formality, are aloof, and stick with laws and legislations. Four participants that were former director generals and undersecretaries literally explained on many occasions that they believed that the EPU people have very thorough knowledge about systems, processes, and laws. They shared different stories about problems in implementation. They do not believe that PEMANDU was successful in implementing the GTP or ETP despite the fact that they were popular in the private sector. Most of them have a firm belief that the ETP should maintain its professionalism in economic planning and policy analysis. Techniques such as the lab

and KPI scorecard are not scientific or relevant for national planning. Rather the lab opens opportunity for rent-seeking and private sector domination in government policy.

Tan Sri Sulaiman bin Mahbob, a former Director General of the EPU and a renowned economist stated the following concerning the superiority of knowledge and the role of the EPU that should be restrained in planning using technical analysis:

I was in charge of the second bridge to Penang costs 4 billion ringgit. Not even PEMANDU to come out. We are not stupid. Civil servants are not stupid. Given proper allocation we could do it. We can engage. We engage Penang government which is different party. They come. It's the way you handle it and we are peers.... There are procedures that civil servants know without PEMANDU to be taking care of anyway. Unfortunately, we bring up too much PEMANDU with just a few projects...One of many problems because PEMANDU don't understand the government procedures. Civil servant is not they don't want to do it, but the procedures are blocking them. (personal communication, May 26, 2019)

Chua compared his experiences in the EPU, NBO, and PEMANDU as completely different worlds. Chua describes the different capacity of the EPU officials compared to those of the NBO as "incompetent" based on the ability to conduct and manage meetings with the line ministries. PEMANDU is committed to results delivery. Its staff tries to understand the root cause of implementation roadblocks and pushes people across the government and private sector to deliver together, as stated by Chua in the following: "When I was in the Treasury it was different. Their officers especially those who in charge of budget with 10 or 12 years' experience they could chair a meeting. I guess it's the caliber of officer and how confident they are."

Another situation that can explain the lacking concern and sensitivity among the EPU officials is how the GTP was developed. Before the GTP and its

NKRAs were introduced, there was a series of public sensing performed by McKinsey. The latter was a source of national priority determination. The process includes a cabinet workshop for national priority determination. In order to understand the public's main concerns, McKinsey used the results of two public perception surveys conducted in Bandawi administration in September 2008 after the poor general election results. Then McKinsey analyzed media coverage in May 2009 by using keywords and topics to assess the noise in newspapers. All of the studies present common public concerns including crime, education, corruption, unity, and the economy. Prior to that Najib created a new post in the Cabinet-Minister for National Unity and Performance Management with Koh Tsu Koon, president of a party in the ruling coalition as the minister. Koh, with McKinsey conducted a series of cabinet workshops to determine national priorities. His first cabinet workshop was also joined by Idris Jala, talking about his experience in turning around Malaysia Airlines and the Prime Minister's Delivery Unit or PMDU of Tony Blair. The ministers were asked to pick the challenges of the country, where crime, education, corruption, unity, and the economy and transportation were identified. Later PEMANDU was set up to lead the transformation of national priorities amidst massive criticism on skyrocketing salaries, consultant fees, and media coverage.

Sensing public concerns was carried out by private consultants, it is believed that bureaucracy is the main reason that makes the EPU's capacity low in terms of interacting and being willing to identify public concerns. The present author once went to the EPU office in Block B in the Prime Minister's District in Putrajaya. It was surprising that even a senior manager had his or her own room with a couch and a coffee table to receive guests. PEMANDU was more into working on the ground to coordinate in order to ensure that implementation took place. It is argued here that PEMANDU is actually the intention of Najib to break the silo among the EPU, NBO, and ICU. Najib wanted to build a new mindset and culture of civil servants in order to transform the country.

5.3.7.5 Description and explanation of the process and timeline of following actions before and after hearing about concerns and needs

No participant mentioned that he or she had experienced the EPU staff putting effort into the description and explanation of the process and timeline of

following actions before and after hearing about concerns. After the research data collection had evolved it was not surprising that this was not found in this study. Although with the EPU policy that allows industry players to be appointed and to take part in the IAPGs and TWGs, it not guarantees that the EPU will try to keep stakeholders in the loop.

5.3.8 Research Design

5.3.8.1 Collaboration with specialists and experts in relevant fields to undertake research

Collaboration with international organizations has been made clear since the Ninth MP and has continued to increase in the past decade. Collaboration with specialists and experts was commissioned with international organizations, including the World Bank, for the areas of governance reform, doing business and economic monitoring, the OECD in economic assessment, and JICA, and CSOs in SDGs. These international organizations have played a critical role in assisting the Malaysian government for a very long time. The EPU is the center for coordination. Line ministries must receive clearance from the EPU if they want to use their service. The Deputy Director of the International Cooperation Section, the EPU stated the following in this regard:

We look at the collaboration to build the capacity not financial aid and the experts as well ...We benefit from the experts from the bank because they have people around the world...UNDP also supports. Other development partners also support us. Not limited on economic matters. So, we put forward to anti-corruption on the reform not only economic matters.

The EPU sees collaboration with international organizations as part of capacity building, particularly in matters related to the image of the country. Research for planning is not rigorously led by the EPU but with the cooperation of different government organizations and stakeholders across and outside the government sector. The positive side is that the plan derives from the bottom. The downside is that the EPU may lose opportunity to accumulate knowledge to make planning more effective.

5.3.8.2 The organization's expense for research and research method training

Neither research nor research method training expenses were referred to by the EPU staff or other participants. However, the EPU might have expenditure for it because past joint research with educational institutions was found. Additionally, joint studies with the World Bank and the UNDP were mentioned by the Deputy Director of International Cooperation of the EPU. Owing to the published data and information available, this element is reported as missing in the EPU.

5.3.8.3 Research design is an integral part of development plan formulation specifying how data will be collected, analyzed, managed, and available to others

Thanks to the built-in research in the IAPGs and TWGs, the EPU acquires knowledge and insight as input for planning. However, the quality of the EPU in conducting analysis for planning and policy formulation has been pinpointed by several participants. Arunaselam Rasappan for example argues that ongoing research in the EPU has been lacking, which results in the quality and validity of the analytical input, which are parts of the planning, as suggested in the following:

I think for the EPU there are much more thing that they should be doing but they are not doing it-analytical, the feedback loop, doing some research and the information system. So, there are areas that they need to improve...They don't go to dig scientific figures that you want because for planning you need to have very much a bit of scientific rigor for forecasting and planning.

Tan Sri Sulaiman bin Mahbob, a former Director General of the EPU, who was the secretariat to the NEAC during the time of the 1997 financial crisis, also stressed that technical analysis has been paid less attention to. He emphasized that this is because many government tasks were transferred to the private sector and the GLCs, which among other things, causes implementation failure because firm analysis is lacking, as the following:

the capacity building is not continuing and reinforced in the context of privatization world...So the capacity gets eroded. In fact, when I grew up in civil service the top projects planning cost benefit is everywhere in the comment. But now they don't know. (personal communication, May 26, 2019)

In fact, the image of the EPU as a government visionary advisor has deteriorated in the past two decades due to its inability to present analysis and policy responses to the governments, particularly in times of economic crisis. Evidences is as follows.

In order to counter the 1997 financial crisis, Mahathir formed the NEAC under the EPU, chaired by himself. Tun Daim Zainuddin, Mahathir's advisor and former finance minister was the Executive Director. Members include economic ministers and private sector representatives. The Council came up with the National Economic Recovery Plan (NERP). Its main role was to propose preventive measures regarding the economic recession due to external shocks and to strengthen the competitiveness of Malaysia's economy. Even though the NEAC is under the EPU, it did not play an essential role in the preparation of data and analysis. A participant, who was a former deputy director-general of the sectoral sections, shared that the EPU's part was to provide logistical support and background papers initiated by the NEAC executive director. He explained this in the following:

They (the EPU) tapped some intellectuals some academics So in a way when you looked at the EPU at the crisis. We are not the right people...Especially during the crisis, other institutions came up...They did what they did. But even if they were temporary during the crisis, Then, they go. It's fine. But to me, they (government) never waited. So, the EPU's role as a whole has been diluted to mere a bookkeeper.

When prime minister Bandawi took power, he created a new era of public administration. The "fourth floor boy," young officers with good business acumen and networking skills, led by his son-in-law Khairy Jamaluddin, who

graduated from the University of Oxford, brought in private consultants such as the BCG to help prepare policy papers (Khalid & Abidin, 2014)

Prime minister Razak also was very open to private consultants. He knew that his government and the UMNO would not survive a political tsunami if he continued to do business as usual. Therefore, he introduced the GTP and ETP. The introduction of the GTP brought about big changes in the public sector, particularly for the EPU. It became prevalent that the government wanted results fast and did not want to rely on either the bureaucracy or the EPU. Many jobs were outsourced to McKinsey and BCG (Hunter, 2013). The BCG was later contracted by the EPU to prepare the Tenth MP, which in a way demonstrates that the capacity of the EPU to conduct research and to provide policy does not meet stakeholders' expectations. According to Yeoh, 2018,

[t]he five-year Plan is not so tough...It's actually a little bit most simplistic now compared to the previous one. The previous plan (Ninth Malaysia Plan) used to be done by the EPU. The recent one (Tenth Malaysia Plan) was outsourced to private consultant."

Further, Datuk John Xavier sees the declining capacity of the EPU affecting the quality of planning:

the EPU is pure planning. They are master planner in those days. Now these guys are now notetakers. Nobody has got the matter of the former economic planners...So they are struggling. They are putting up something that flags the EPU in the cabinet and ministers... Quality of what is in the planning might be questioned.

5.3.8.4 Access to Academic Databases

Access to scientific databases was not found in this study. It is assumed that this is because it is an organization management matter that is not available to the public. However, a senior manager at the EPU confirms that the EPU has access to scientific databases to perform analyses, as a senior manager in the

Macroeconomics Section at the EPU indicated: “We also subscribe to certain databases which user accounts are shared with across sectoral divisions. So we have similar access to support our analysis. If they think that data or any references that are useful they can subscribe by themselves.” (Personal communication, June 26, 2019)

5.3.8.5 Available budget and clear time frame for conducting research in the planning process

There is little evidence for the analysis of this element owing to the published data and information available. Nevertheless, the EPU makes it very clear in the published timeline for Malaysia Planning formulation that the IAPGs and TWGs process and strategy paper preparation begin early of the planning cycle. They take place around December and the results will be presented in the first quarter of the following year. Further, there is no evidence of an available budget for implementing this activity.

5.3.9 Political Stability

The period of this study covers 1998 to 2015, which falls under the administration of three prime ministers; namely, Mahathir Mohamad, Abdullah Bandawi, and Najib Razak. In this section is a description of the characteristics of the Malaysian political system and government in order to form a foundation for an explanation of their relationship with growth and development advancement in selected areas. Also discussed are the characteristics of each prime minister, the national policy, and the pet programs and projects of each prime minister so that light can be shed on how they contribute to the effectiveness of the Malaysia Plans.

Malaysia’s political system is a bicameral parliament, comprising the upper and lower houses. The upper house or Dewan Negara is filled by senate members who come from two sources. First, 26 seats are selected from the states and 43 seats are appointed by the King on the recommendation of the prime minister. The term of senate members is 6 years. The lower house or the Dewan Rakyat comprises 192 members. Malaysia is federalist, where the federal government deals with most national matters, for instance, external affairs, defense, internal security, federal leadership, finance, commerce, industry, and communications and transportation.

States have much less power. They are charted with land and religion. The general election is held at least once every five years.

Since independence the federal government has been controlled by the Alliance, followed by Barisan Nasional (BN) or the National Front formed. BN is a coalition comprising the UMNO and 13 other parties. Most of them are ethnically based. The coalition is dominated by the UMNO, which provides both the Prime Minister and the Deputy Prime Minister. Two other senior partners from the Alliance days are the Malaysian Chinese Association (MCA) and the Malaysian Indian Congress (MIC) and Gerakan Rakyat Malaysia (GERAKAN, or the Malaysian People's Movement Party), a nominally multiethnic but Chinese-dominated party. The rest is small and East Malaysia focused (Brown et al., 2004). The opposition parties had been weak allowing BN to maintain a two-thirds majority in the parliament (Gomez & Sundaram, 1998). There are three main opposition parties in Peninsular Malaysia, including Parti Islam Malaysia (PAS, Pan-Malaysian Islamic Party), the Democratic Action Party (DAP), and Parti Keadilan Rakyat (PKR, People's Justice Party). The PKR recently merged with Parti Keadilan Nasional (KEADILAN, National Justice Party) and Parti Rakyat Malaysia (PRM, Malaysian People's Party). Following the political turmoil of 1998, these opposition parties formed an electoral coalition, the Barisan Alternatif (BA) or Alternative Front. In East Malaysia opposition parties are extremely weak (Brown et al., 2004).

The government system of Malaysia has been quite stable even though there was political disturbance in the late 2000s, calling for a more transparent government and elections. Although there has been almost no change in the government system it does not mean that Malaysia is a full-fledged democracy. The political condition and characteristics of prime ministers are discussed as follows.

Mahathir (1981-2003)

Mahathir's approach and leadership style, since he became the fourth prime minister in 1981, have often been dreaded and have received criticism for being authoritative and for infringing on human rights and freedom of the press. He has been criticized for power concentration in the PMO. However, he has stood up to confrontation and is open to criticism. Bureaucrats rather obey than challenge his ideas because of his governing style. The public sector is seen as apathetic (Mauzy &

Milne, 2000). Mahathir was in power for 22 years—the longest-serving prime minister. Throughout his administration he was known for having a tenacious will in terms of the economy and the country's modernization.

Rooted in Muslim culture that was long governed by a colonial master, Malaysians are neither entrepreneurial nor performance oriented. However, with global perspectives and the leadership of Mahathir, Malaysia has become an industrialized and future-oriented country. Mahathir took a challenging stance regarding economic transformation, such as privatization of state companies and following eastern economic growth strategies like those in Japan and South Korea by introducing the Look East Policy that brought about increased Malay-Japanese joint ventures in construction, heavy industry, and trade. Coupled with the IMF and the World Bank, Malaysia moved toward deregulation and a business-friendly public sector (Tan, 1990). Several mega projects include the Petronas Twin Towers, which opened in 1999, the Putrajaya government administrative capital, a multimedia corridor stretching from Kuala Lumpur City Center to the Kuala Lumpur International Airport in Sepang, where also the Formula One race track is located; these were invested in during his administration. Mahathir wanted to show to the world that while a being communal and multiethnic society, Malaysia is very competitive and friendly to foreign investors (Kennedy, 2002). This aspiration and these projects not only project the country's image but are primarily intended to modernize Malaysia to be globally competitive and to grow a can-do attitude to Bumiputera (Keong, 2006). His commitment to transforming public service to be efficient, clean, reliable, transparent, and clientele oriented is well perceived. Privatization policy in many public utilities is becoming privatized, and many of these privatized corporations have been given to selected Bumiputra entrepreneurs. The government has kept ownership of the larger ones. Partly this has changed the work conditions of civil servants—from bureaucratic to being more business like. Mahathir has made it clear that Malaysia would become a corporate nation where the public and private sectors have equal relationships. More than 500 GLCs were established, adding more power to the PMO. Later in 1991 Vision 2020 was introduced. With such an ambitious agenda, Mahathir centralized the power in civil services through his office (Gomez & Sundaram, 1998; Henderson et al., 2002; Jeshurun, 1993) with at times authoritarian approaches to

policy decision-making, and policy formulation and implementation (Henderson et al., 2002). The EPU became extremely powerful as several mega privatization projects were controlled by the EPU. Projects over a certain size initiated by other departments and ministries require the approval of the EPU before they can be executed. The EPU is also the gatekeeper for all private sector proposals submitted to the government prior to cabinet approval. Mahathir also wanted to ensure that his pet mega projects received sufficient funding while maintaining sound financial management. Mahathir is also the finance minister. While an NPM-like approach was adopted to Malaysia's civil service, a bureaucratic culture with a top-down decision-making process was strengthened during Mahathir's period. Given his economic modernization orientation and the creation of Bumiputera business elites, Mahathir developed strong ties with Malay and Chinese business figures (Jeshurun, 1993; Gomez & Sundaram, 1998). Parliament has become a mere rubber stamp rather than a system of checks and balances. Thus, economic governance has been authoritative and relatively coherent, bolstered by stability and unwavering political leadership and development focus (Henderson et al., 2002). Despite an industrialized market economy, which is relatively open and business friendly, the state has been taking a preemptive role regarding social, economic development, and redistribution. The NEP (1970-1990) had been a vital instrument of Mahathir in terms of reducing interracial gaps. This has caused, however, major impacts on how Malaysia's economic policy is shaped by technocrats, as civil servants are taken based on the Bumiputera quota. Having secured his premiership for a decade, Mahathir was able to build his legacy and establish Mahathirism while retaining his national modernization ideology.

The political economy of Malaysia is very strong and stable, providing a more favorable climate for international trade and investment and domestic business (International Business Publications, 2015). The development vision and policy, as well as civil service reforms, have been driven by the political executives in the administration and high-ranking civil servants, especially the Chief Secretary to the Government, who is the gatekeeper blurring the political vision and real-life administrative implementation (Trezzini, 2001).

Such events are the result of Mahathir's leadership in controlling within the UMNO, BN, and opposition parties (Jeshurun, 1993). Although Mahathir is known

for being bold and blunt and is often described as a state economic expansionist and Malay protectionist (Teil, 1997), he has successfully extended Malaysia's position in the international arena and has expanded south-south cooperation. His macroeconomic management policy was recognized as effective and prudent, with canny fiscal management that has ensured efficiency and private sector competitiveness led by the finance minister, Anwar Ibrahim (Jeshurun, 1993).

Before the 1997 financial crisis Malaysia saw an impressive amount of large FDI, export growth, and low inflation and unemployment. In order to counter the crisis Mahathir was lauded for taking unconventional measures, such as capital control and pegged the exchange rate. After the crisis Malaysia's GDP growth registered at about 5 per cent compared to 8.3 per cent before the crisis. Nonetheless, the situation of private investment did not recover at a satisfactory level. Malaysia then thought about new approaches to sustained growth and competitiveness. The public sector had to spearhead growth expenditure, resulting in continued public investment and fiscal deficits, while manufacturing and primary commodities were able to maintain their high performance. Economic priorities and strategies were redefined. Malaysia was headed to a knowledge-based economy by investing in information and communication technologies; developing high quality human capital for economic competitiveness; productivity improvement to prepare for a transformation to a service-based economy; and national competitiveness enhancement by becoming integrated into the global supply chain by becoming a base for R&D, the production of critical components and design and procurement centers, as well as a liberalized financial sector and upgrading professional managers to revive the private sector. During Mahathir's period there existed growth of the GLCs and highly qualified professionals attracted to the sector. Khazanah Nasional, the government investment arm, was established in 1994. It became the new technocracy and national economic pace setter, which nurtured efficient companies driving economic growth (Khalid & Abidin, 2014).

When the state plays a leading role in the economy, in Southeast Asia countries such as Indonesia and Thailand, economic technocrats are thought to be a source of prudent policy formulation and implementation and macroeconomic management. The Malaysian civil sector is also a case. Key ministries and central

agencies such as the MOF, the Bank Negara of Malaysia, and the EPU have the privilege of receiving talents known as technocrats. However, the role of technocrats varies according to economic management ideology and the prime minister's style and vision. When the government pursues an open economy, technocrats are neither needed to help promote Malaysia's image internationally nor to make the country eligible for assistance (Khalid & Abidin, 2014).

During the era before Mahathir the EPU was the most influential organization as it had control over the development budget. The EPU management and political leaders implemented the government's vision and plans. Technocrats were in the driving seat, steering the economic and social development. On the other hand, with Mahathir's vision and strong leadership, private sector-led growth strategies put technocrats "in the backseat." (Khalid & Abidin, 2014). They were given the task of implementing these ideas only. This gesture continued until the 1997 crisis hit. The crisis severity and speed of the aftermath required a different and radical approach and more integrated strategy. Malaysia then needed a body that had the authority to ensure the alignment of counter measures among ministries because he was upset with the measures proposed by the bureaucracy and Anwar Ibrahim. Therefore, a coordinated, comprehensive, and centralized approach was adopted. The National Economic Action Council (NEAC), a body of retired civil servants, businessmen, professionals, researchers, and academicians, was formed to implement measures and to ensure a swift response to the crisis and to minimize the inter-agency complexity of joint actions (Khalid & Abidin, 2014). The NEAC has the EPU as the Secretariat.

Abdulla Bandawi (2003-2008)

Known as "Mr. Clean," Abdullah Bandawi—a planned successor of Mahathir—stepped into power in 2004. Bandawi won a landslide election—198 out of the 222 parliamentary seats. During his administration Bandawi attempted to depart from Mahathir's approach though.

For Bandawi, a former high-ranking civil servant, the main agenda was to fortify soft infrastructure. His main agenda was the reform of the civil sector and human capital development. Discontinuation of Mahathir's pet projects, particularly Proton, was witnessed. He reduced the role of the state in the economy. Even though the bureaucrats' role was seen to be greater than during Mahathir's period, he

advocated for strong cooperation between public and private sectors. The role of the civil sector was made clear as a facilitator rather than a regulator with red tape. PEMUDAH, a special task force to facilitate business in Malaysia co-chaired by the chief secretary to the government and the president of Malaysia Manufacturing (FMM), was established. PEMUDAH comprises 23 eminent representatives from the public and private sectors, and reports directly to the Prime Minister. PEMUDAH is an extension of the Malaysian Incorporated Policy introduced by Mahathir in the 1980s. Co-chairmanship by both public and private sectors echoes the view of the government to maintain a close working relationship between the two sectors. Beyond business-friendly service delivery, PEMUDAH is hoped to play a bigger role in making Malaysia a global benchmark and enhancing Malaysia's competitiveness. In addition, the underlying end is to showcase the intrinsic values of the government and the country's sense of urgency, preemptive public-private sector collaboration, and a true facilitation culture within the government and civil sectors. It is charting to improving regulations, procedures, and existing laws related the ease of doing business and national economic development, similar to the World Bank's Doing Business approach beginning with starting a business, getting construction permits, registering property, imports and exports, paying tax, and so on. Currently PEMUDAH sits in the Malaysia Productivity Corporation and retains the handling of doing business improvement.

Bandawi is more open than Mahathir. He undertook a number of institutional reforms and implemented the GLC Transformation Programme in 2004, hoping to reinforce governance in the public sector, public service delivery, and economic development. Several GLCs, including Malaysia Airlines and Maxis Berhad, a communications service provider, were reformed. Idris Jala, a Christian born Sarawakian was appointed as the CEO of Malaysia Airlines in 2005, who successfully turned around the airline business financially and operationally. Jala was the first non-Malay non-Muslim to be appointed to head a GLC. Before joining MAS Jala was with Shell and had an excellent track record. Additionally, Badawi appointed heads of several government departments that had improved immigration, national registration, and inland revenue, passport applications, identification cards, and the ease of income taxes payments. GLC heads were led by both respect and professional Malays and

non-Malays, sending a strong signal of efficiency, effectiveness, and professionalism in the government machinery. In 2004, Bandawi successfully led BN to win the majority of seats in parliament. It is the largest majority that the National Front has won since the 1978 elections. Later the public sentiment turned bad due to the rising costs of living, rising crime, and a continued culture of corruption. During the 2008 general election BN experienced its worst election results. It was the first time that BN lost its two-thirds parliamentary majority and five states plus the Federal Territory to the opposition coalition. The popularity of Bandawi was shrunk not because of his characteristics but because of his economic management ability, particularly the hike of petrol prices that caused agony among the lower- and middle-income classes (Sivalingam, 2013). His premiership was attacked by Mahathir and within the UMNO due to his policy for a freer media and online opinions, and discontinuity of mega infrastructure projects, particularly Mahathir's pet projects, and the release of Anwar Ibrahim (Asia Sentinel, 2008).

Despite the attempts to achieve more efficient public service, Bandawi was seen as having low transparency and this led to a political movement in 2007, namely BERSIH, to demand clean and fair elections (International Business Publications, 2015). BERSIH was formed by political parties, civil society, and NGOs. It received massive support from across the country. Actually, the idea of BERSIH was initiated by five opposition parties in 2005. The people were unsatisfied with the Election Commission under the Prime Minister's Department that was pro-BN, accusing it of manipulation and fraud in the electoral process. The rally was the starting point of a shift in the political landscape. The 12th General Election in March 2008 marked the first time in history since 1969 that BN won less than two-thirds in the 222 seats in the House of Parliament for the most part caused by the public disapproval of non-Malays and the emergence of the opposition party. The opposition won over five states of peninsular Malaysia; namely, Selangor, Kedah, Perak, Kelantan and Penang. A year later Bandawi stepped down.

Najib Razak (2008-2018)

Najib Razak took the premiership in April 2009 amidst government distrust. His first priorities were economic liberalization, and government and public sector reform through performance-driven policy. National unity was the genesis of his

policies through 1Malaysia, which became a catchphrase throughout his administration. Apart from social unity, were the GTP and the ETP. The 13th General Election again marked a critical decline of BN, which failed to secure public trust. The Pakatan Rakyat, an opposition party led by Anwar Ibrahim, successfully managed to tap into the governance, corruption, and injustice in the judiciary system, media policy, and electoral reforms which were major public concerns at that time. It brought about a two-party system (Lee, 2013). Razak once described himself as a “technocratic politician” in an interview with Malaysian Business Magazine in 1993. He was a former executive with Petronas from 1974-1976. He also served briefly with Bank Negara and was trained as an economist in dealing with the 1998 Asian crisis.

During his administration the continuance of the use of private consultants was seen. However, his style did not depend solely on his opinions and his mission to transform Malaysia’s economy with the help of technocrats. Razak formed the National Economic Action Council just like Mahathir, but the difference was that there was a mixture of politicians, businesspersons, and local and world renowned academics comprising new technocrats to lead economic initiatives. Razak did not want inept economic policy formulation. He was keen on corporate style management. While he focused on national unity building, the civil sector had been improved to become more open to highly qualified talented professionals. His interest in public sector revitalization through these new approaches can be seen as an alternative to Mahathir’s affirmative policy and privatization, and the governance promotion effort of Bandawi.

Political stability, democracy, and economic growth

Being dominated by ethnic-based parties and their politics since independence in 1957, led by an authoritarian executive, Mahathir Mohamad, the country on the contrary followed a laissez-faire economy. The government had played a large role in economic development, especially in ensuring a better distribution to the Bumiputera. Between 1970 and 1990 Malaysia was successful in its economic growth through the NEP. Average growth was at an average of 6.9 per cent per annum. In general, poverty was remarkably reduced whereas the wealth gap among the races increased (Gomez & Sundaram, 1998). Like Thailand, Malaysia is a bureaucratic capitalist state that contributes to rapid economic growth under a situation of benevolent

authoritarianism (Tan, 1990). Owing to the hegemony of the UMNO and the privilege of the prime minister, Mahathir was able to control the direction of policies (Gomez & Sundaram, 1998). In addition, Malaysian society and political values give importance to hierarchy, loyalty, and order to the ruler before freedom of rights and conflicts, which promote a stable country (Gomez & Sundaram, 1998). It promotes growth and continuance of policy to achieve long-term national visions. Although this approach may differ in terms of the targeted economic sector and policy mix, one certain thing is that public administration has been at the core of government administration.

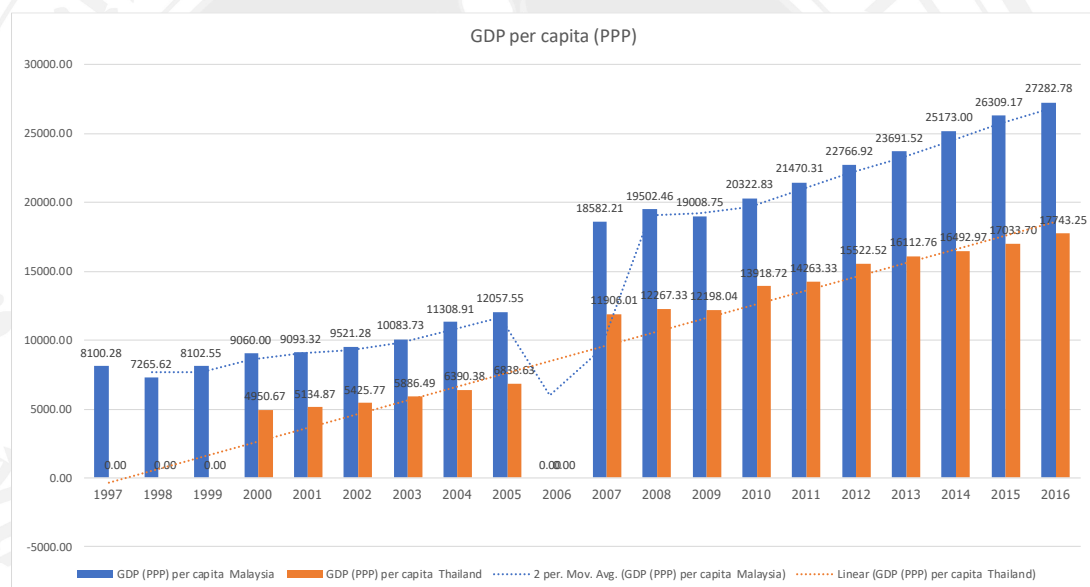


Figure 5.14 Malaysia and Thailand's GDP per Capita (PPP) from 1997 to 2016

Note: Data for 2006 are missing. The value is median.

During Mahathir's period from 1997 to 2002 the average GDP per capita stood at 8,523.85 US dollars. During Bandawi's period it was at 13,932.07 US dollars, and during Najib's period it was at 22,072 US dollars. Malaysia has had steady growth in GDP per capita, which could explain the relationship between economic growth and political stability. Malaysia has had no political system change. The propensity of the government to change is low; for example, Mahathir was in power for twenty-two years. Bandawi was in power for more than five years, and

Najib was in power for nine years. In other words, there were only three governments during the past 36 years.

Further analysis on political stability and the GDP per capita during the premiership of the three prime ministers however revealed that under Mahathir's administration from 1997 to 2020 the GDP per capita increased relatively steady. During his premiership there was neither government change nor political turmoil. When the crisis hit in 1997, Malaysia's GDP per capita drastically dropped from 8100.28 US dollars in 1997 to 7265.62 US dollars in 1998. When the US subprime mortgage crisis in 2008 caused a slowdown in the global economy, the GDP per capita dropped from 19502.46 in 2008 to 19008.75 in 2009. After that Najib launched the NEM, 1 Malaysia, and GTP 1.0 and GTP 2.0, and the GDP per capita from 2009 to 2014 increased continuously. This demonstrates the relationship between political stability and GDP per capita. Ironically these initiatives and special bodies originated from the strong leadership of the prime ministers, bypassing the EPU, which was supposed to provide rational advice to the government and to spearhead the country's development and facilitate the implementation of policies.

In conclusion, although Malaysia's economy has been on a bumpy road just like other southeast Asian countries, the country has enjoyed the continuance of one party—the BN—for almost four decades. The genesis and target beneficiaries of economic and social policies, that approaches might have been modified from government to government, are clear and carried out continuously through the national policies.

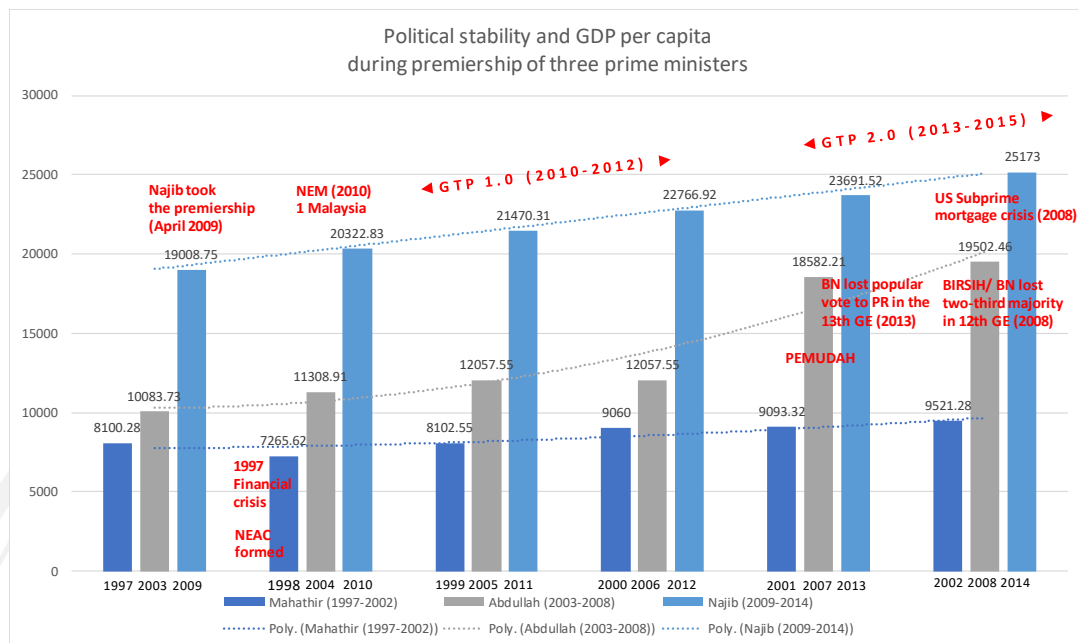


Figure 5.15 Political Stability and GDP per Capita during Premiership of three Prime Ministers

CHAPTER 6

DISCUSSION OF RESULTS: THAILAND

This chapter consists of three sections. First is Thailand's planning context: administrative system and politics; economy; race and structure; and key executive central agencies. Second is the planning horizon and third is a discussion of the results.

6.1 Thailand's Planning Context

Since 1932, Thailand has turned from an absolute monarchy into a parliamentary democracy with a constitutional monarchy. In 1939 the country changed its name from "Siam" to "Thailand," which marked the beginning of the modern history of the public administration in Thailand. Over the past 70 years, Thailand has been known for vicious cycles of military-bureaucratic regimes that have led to political instability. Each government regime has had an average of only two years in office.

From the 1980s to the 1990s Thailand enjoyed decades of economic growth registered at around 8-9 percent a year. Thailand was once the world's fastest-growing economies. Thailand successfully modernized the country from agricultural to manufacturing and export-led growth. This impressive growth path was interrupted by the 1997 Asian financial crisis. A series of reform measures conditionally suggested by the World Bank and the IMF was implemented, including public reform and adoption of the NPM in order to ensure governance in macroeconomic and social management. After the shock, Thailand's economic growth has been modest. Since then Thailand has shifted its development paradigm from economic growth to more

people-centered development and balanced growth. The government has pursued prudent macroeconomic and fiscal management.

6.1.1 Administrative System and Politics

Thailand has 76 provinces divided into four regions and two special administrative districts; namely, Bangkok and Pattaya. The political system of Thailand is separated into three branches: the executive branch, the legislative branch, and the judicial branch. The executive branch is led by the prime minister. The legislative branch is bicameral, consisting of the National Assembly and the House of Representatives. Elections are held every 4 years. The judicial branch is headed by the Judges of the Supreme Court of Thailand appointed by His Majesty the King.

Thailand has been through cycles of military-bureaucratic-dictatorship governments for several decades. Before 2001 the Thai government was never led by one ruling party. Chuan Leekpai was then the Prime Minister from November 1997 to 2001. The year 2001 marked the beginning of the new era of incessant political unrest in modern Thai political history. Prime Minister Thaksin Shinawatra from the Thai-Rak-Thai or TRT party was the first prime minister that completed a four-year term from 2000 to 2004 and was re-elected with a landslide victory in 2005. Nonetheless, in 2006 Thaksin faced critical corruption charges and street protests between the “red” and “yellow” shirts. On 19 September, 2006, the military overthrew the Thaksin government, which allowed Gen. Sonthi Boonyaratglin to become the *de facto* Prime Minister. Boonyaratglin later sought Gen. Surayud Chulanont to be the head of the interim government. The Thai Rak Thai party was dissolved on 30 May, 2007 charged for violation of election laws. The People's Power Party was then formed to replace the TRT. In 2007 the People's Power Party or PPP came to power, which allowed the then party's leader, Samak Sundaravej, to become the Prime minister. His premiership was ended by the Constitutional Court for having conflicts of interest. Somchai Wongsawat was then nominated to be Prime Minister. The Boonyaratglin

government lasted for less than 100 days as he had to deal with political unrest and the 2008 global financial crisis. The PPP was again dissolved by the Constitutional Court. Prime Minister Abhisith Vejjajiva became the prime minister after a parliamentary vote. During his time in office he had to handle global economic turmoil and continued major protests. In 2011 the election of the Pheu Thai Party, which is the new PPP, won a landslide victory. Thaksin's younger sister Yingluck Shinawatra emerged as the first female Prime Minister. However, the conflict between red and yellow shirts continued. In 2014 the country saw months-long demonstrations that sparked severe violence followed by a military coup led by Gen. Prayuth Chan-Orcha, who became the prime minister.

6.1.2 Economy

The Thai economy has seen substantial growth, as the GDP increased from 101 billion US. dollars in 1991 to 510 billion US. dollars in 2018. The average annual GDP growth registered at 4.3 percent. Thailand is an export-dependent economy, which relies heavily on particular items such as automobile parts, electronic and electric appliances, and petrochemical and chemical products. Major export markets are the US, Japan and the EU (Office of the National Economic and Social Development Board, 2012). After those markets experienced a recession, ASEAN and China become significant export markets making markets more diversified.

From 1986-1996 Thailand enjoyed decades of economic growth. The GDP growth rate stood at 9 percent per year. (Jitsuchon, n.d.) However, after the financial crisis in 1997, the economic growth slowed down and the GDP growth rate was less than 5 percent per year from 2002 to 2007. Thailand has been successful in social and human development. The number of people living in extreme poverty has been significantly decreased. Additionally, Thailand has been successful in increasing life expectancy and ensuring universal health care for all Thais, but inequality of income, access to quality education, fair justice, and public services remains. Thailand was classified by the World Bank from a lower-middle income economy to an upper-

middle income economy in 2011. However, the Gini coefficient remains high, standing at 0.48 in 2011 (Office of the National Economic and Social Development Board, 2020)

The global financial crisis of 2008-2009 and the flood in 2011 demonstrated that dependence on exports makes Thai economy vulnerable to external shocks. In recent years, Thailand has been striving to become a high-income economy by restructuring economic structure from being efficiency driven to knowledge and innovation driven to creating value added to products and services. Advanced manufacturing and the service sector are expected to be at the forefront of the Thai economy. The political tensions in 2010, 2013-2014 resulted in a slow pace of economic growth compared to Thailand's developing East Asian neighbors. In 2013 the country's GNI per capita was at US\$ 5,340.

6.1.3 Structure and Key Executive Central Agencies

In the late 1950s Thailand was led by a military government. Three organizations were created under the Office of the Prime Minister (OPM) as the executive office taking care of economic planning and policy, and budget and manpower management; namely, the Office of the National Economic and Social Development Board (NESDB), the Bureau of Budget (BoB), and the Office of the Civil Service Commission (OCSC) respectively. Later in 2002, the Office of the Public Sector Development Commission (OPDC) was founded under the PMO to spearhead public reform. With that, the Prime Minister may assign a minister attached to the PMO or Deputy Prime Minister to chart these agencies. The head of the NESDB, OCSC, and OPDC is the secretary-general. The BoB is the Director of Budget. The heads of the central executive agencies report directly to the prime minister, or the minister in the Prime Minister's Department or the deputy prime minister if assigned.

With regards to five-year planning and budgeting, the so-called "Gang of Four" is commonly known for playing a critical role in determining budget ceiling

determination. These organizations include the NESDB, the BOB, the Bank of Thailand (BoT), and the Ministry of Finance (MoF) by the Fiscal Policy Office (FPO). The group provides macroeconomic assumptions that form the annual expenditure ceiling for the “Kanakammakarn see fai,” chaired by the prime minister before submitting it to the cabinet for approval. The BoB, in fact, has almost absolute control over ceiling determination and annual budget approval.

6.1.4 Public Sector Development

Thailand has gone through different eras of administrative development—from Prime Minister Sarit Thanarat (1959-1963) to Prime Minister Prem Tinasulannond (1980-1988) and Prime Minister Chuan Leekpai (1992-1995), with a focus on curtaining the size of public sector personnel and increasing the salary of public officials. Prime Minister Chavalit Yongchaiyudh (1996-1997) introduced the Master Plan for Public Sector Reforms (1997-2001). Prime Minister Banharn Silapachachai introduced the Public Service Improvement Year. However, the era of public sector reform in Thailand seriously began in the 2000s under Thaksin’s government, which contributed to the adoption of the NPM (Poocharoen, 2005). The OPDC spearheaded the overhaul administrative process based on the NPM and public sector structure (Sirisumphand, 2009). Results-Based Management, rightsizing, performance evaluation, decentralization, corruption elimination, public participation, and e-government to one stop service were employed to modernize the public sector and service delivery (OPDC, 2003). A restructuring of the ministry structure was a central focus of the government (Sutakavatin, 2002). The number of ministries has been augmented from 15 to 20 ministries. The Ministry of Social Development and Human Security, the Ministry of Information and Communication Technology, the Ministry of Natural Resources and Environment, the Ministry of Energy, the Ministry of Tourism and Sports were founded in order to increase the country’s ability to cope with social issues and to increase economic growth potential (The bureaucratic restructuring act B.E. 2545, 2002). More than 7,853 local administrative organizations have also been established. Public autonomous agencies such as the Office of Knowledge Management Development, the National Science Technology, the Innovation Policy Office have also been founded and filled by specialists which has

eased legal frameworks to ensure responsive services to beneficiaries. In 2003 the RBM was enacted to evaluate the performance of the ministries, the departments, and all provincial administrations. All of the government agencies are required to conduct “Performance Agreements” controlled by Key Performance Indicators (Col, Holzer, Posner, & Rubin, 2006). The balanced scorecard was employed to measure the effectiveness of strategic plan implementation, the efficiency of operations, the quality of service delivery, and organizational development. Annual performance indicators cover four areas: the effectiveness of strategy implementation, the quality of service delivery, the efficiency of work performance, and organizational development (Koike, 2013). Later, in 2005, ministerial restructuring based on development agenda again came to the attention of Thaksin’s government. However, the attempt was not successful due to a coup d’état. In 2013, Yingluck inaugurated a 20-year Country Strategy—a cross-cutting national strategy in parallel with the Eleventh National Economic and Social Development Plan or the NESDP. It was aimed to be the framework for annual budget allocation and to enhance inter-governmental coordination. The strategy envisioned Thailand as becoming a high-income country in 15-18 years. Public sector development was the bottom line for the national strategy execution. Key development issues included, for example, legal and tax reforms, budget allocation processes, and e-government applications and civil servant development. In so doing, each development issue had a host ministry that had to ensure alignment and to remove replicated programs and budgets proposed by relevant ministries. Nonetheless, the country strategy was never endorsed by the Parliament due to coup d’état in 2014. However, the BoB used it as a framework for budget allocation.

In short, from the 1990s, Thailand was low in the ranks in terms of administrative reforms (Poocharoen, 2005). Thailand’s governance system remains highly centralized. While service delivery has made a progress, the RBM system is still in the premature stages (Koike, 2013). Setbacks remain in the complexity of outcome appraisal, extra workloads resulting from performance management, and resistance among public officials (Koike, 2013).

6.2 Thailand's Planning Horizon

Planning in Thailand began in 1961 with the assistance of the World Bank. It was believed that economic achievement was the only way to plummet the growth of communism. Thailand does not have a long-term plan. The five-year-plan is entitled the National Economic and Social Development Plan or the NESDP, which is a guideline for line ministries, government departments, and agencies and the BoB for annual budget plan preparation which form the Annual Budget Act.

Medium-term plan: the NESDP

The ESDB was established on February 15th, 1950 as the National Economic Council (NEC) to provide the government with opinions and recommendations on national economic issues. The NESDB officials were highly regarded as technocrats due to their technical and analytical knowledge. The first to the fourth plans were the blueprint concentrating on economic growth as it was believed that they would produce a trickledown effect to wider society. The National Socio-economic Development Plan is called the National Economic and Social Development Plan or the NESDP (1961-1963). The First NESDP (1961-1966) was based on a project approach. The Second NESDP (1967-1971) shifted to a macro and sectoral development focus. The economic result was impressive but health and education remained critical because of the limited capacity in social planning, resulting in the Third NESDP (1972-1976), including a social development strategy. The NEC was changed to the Office of the National Economic and Social Development Board or the NESDB. During the Third NESDP Thailand experienced economic turbulence and the emergence of a middle class that had high democratic awareness, which led to the political unrest in 1973. The planners were confused about their roles in national planning. The Fourth NESDP (1977-1981), hence, was based on a problem approach. However, there was little change in the planning approach from top-down to a more participatory approach. The Fifth NESDP (1982-1986) was heavily influenced by the idea of income distribution, and social and environment problems. Planning was to address multiple objectives and was based on area and program approaches. Two significant programs developed included the rural development program and the Eastern Seaboard Program. The NESDB planners and officials from relevant

ministries, departments, and international consultants, and the private sector worked together to develop the program. The Sixth NESDP (1987-1991) marked a major shift in the planning system. Stakeholders were invited by the NESDB to participate in brainstorming seminars in Srisaket province, which is the one of the poorest provinces. Experts, academics, and planners from relevant government organizations and private sector representatives took part in the session. Moreover, there were eight other national conferences and small meetings in Bangkok and other provinces. It was estimated that around 2,000 participants were part of these formulation processes. At the end a summary of the direction of national economic and social development plans was proposed to the economic minister committee and the cabinet. The Seventh NESDP (1992-1996) was a transition period of planning tradition due to the political progress and the expansion of the NPM, particularly the decentralization that promoted the growth of local administrations. Nonetheless, the development outcomes of the First to the Sixth NESDP concluded that “the economy is good, societal problems exist but development is not sustainable.” The NESDP is the reference point for other central agencies such as the BoB and OCSC and implementing agencies to prepare their sectoral and thematic development plans.

The National Economic and Social Development Plans that fall within the scope of this study are as follows.

The Eight NESDP (1997-2001)

Chavalit Yongchaiyudh (1996-1997) and Chuan Leekphai (1997-2001)

The Eighth NESDP was influenced by the concept of sustainable, human capital development and natural resource management. It aimed to reach the equilibrium of economic, social development, natural resources, and environmental management. During the first year of plan implementation, Thailand experienced a financial crisis that severely affected its economic and social well-being. The government concentrated on solving the crisis rather than the development and implementation of the plan. The Pracharath approach, public, private sector, and general public cooperation, were keys to improving public sector performance for national development

The Ninth NESDP (2002-2006)

Thaksin Shinnawatra (2001-2006)

The Ninth Plan adopted the “Sufficiency Economy Philosophy” as the core principle. The focus was on economic stabilization, poverty reduction, and social problem alleviation such as narcotic drugs, and public healthcare system improvement, particularly the coverage of public healthcare insurance. In 2005 the re-elected Thaksin government introduced the four-year Government Administrative Plans. The objective was to incorporate the political manifesto into the administrative actions, claiming to reach demands from the bottom. Nonetheless, the five-year plan was not dropped. The National Economic and Social Advisory Council or the NESAC was established to give recommendations on economic and social development to the cabinet and suggestions on the NESDP.

The Tenth NESDP (2007-2011)

Surayud Chulanont (2006-2008), Samak Sundaravej (2008), Somchai Wongsawat (2008-2008), and Abhisith Vejjajiva (2008-2011)

The Tenth Plan maintained the “Sufficiency Economy Philosophy” with a focus on human capital development. It aimed to achieve balance and fair development and to improve the long-term competitive advantage of the economic sector by, for example, SMEs, knowledge and innovation development, and appropriate utilization of biodiversity. Civil sector development and governance, public sector downsizing and shifting roles of the government from controllers to regulators, as well as public and private partnership strengthening were highlighted.

The Eleventh NESDP (2012-2016)

Yingluck Shinnawatra (2011-2014)

The Eleventh NESDP continued to maintain the philosophy of “sufficiency economy” but highlighted the need for economic resilience. The plan aimed to develop the quality of human capital and society, to improve the lifelong learning society by increasing physical conditions and ethics and morality, to create a fair and just society, to create economic opportunity through knowledge, technology, innovation, creativity, and green production and consumption, and to strengthen the agricultural sector and enhance food and energy security.

Monitoring and Evaluation of the First Two Years of the National Economic and Social Development Plan Report

The NESDB conducts “Monitoring and Evaluation of the First Two Years of the National Economic and Social Development Plan Report,” which are distributed during the NESDB annual conference and to the government agencies, educational institutions, and to the public. The report presents development progress in a quantitative and qualitative manner. There is neither strategy nor target or indicator revision. Only the Eighth NESDP was adjusted. The macroeconomic framework and formulation of the new strategies were modified after the 1997 financial crisis.

Annual budget plan

The annual budget plan is an act prepared yearly by the BoB. It is a policy document presenting the budget allocation strategy that must be read in the House of Representatives by the prime minister. It is subjected to scrutinization by the MPs and the Senate House and the National Assembly. It must be submitted to the King for Royal Assent.

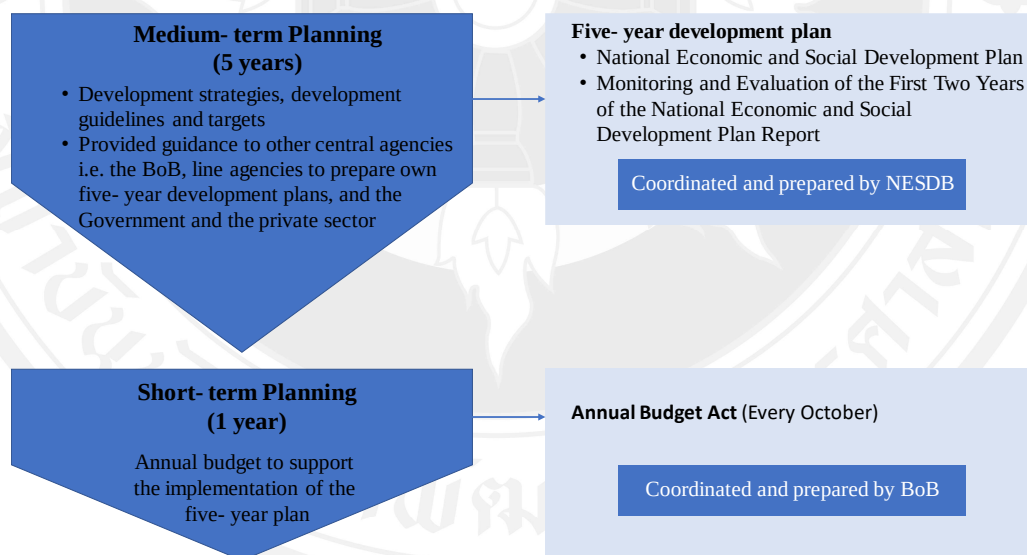


Figure 6.1 Two-tiered Planning Horizon of Thailand

6.3 Discussion of the Results

6.3.1 Institutional Arrangements

The NESDB has low capacity in terms of institutional arrangements. Only the clarity of the planning organization's policy, procedures, and processes regarding plan formulation and execution management, and monitoring and evaluating and association with policy public organizations, private sector association, CSOs, think tanks, and stakeholders in five-year national plan formulation, and implementation of monitoring and evaluation of the development plan are significant. The degree of existing laws and regulations determining the roles and relationships among the planning organization and concerned public organizations, private sector associations, CSOs, think tanks, and stakeholders is low as the NESDB Act is outdated and the NESDB neither has an established policy nor standard guidelines for the planning and how the plan should be drafted. There are planning machinery changes from time to time. Thus, the relationship between the NESDB and with other central executive agencies, particularly with the BoB, which determines the conformance of the NESDP, mainly depends on the BoB and its annual budget act. Details are discussed below.

6.3.1.1 Clarity of the planning organization's policies, procedures, and processes regarding plan formulation, execution management, and monitoring and evaluation

The NESDB has a secretary-general who reports directly to a minister in the Prime Minister's Department or the deputy prime minister who is assigned by the prime minister. The NESDB organizes the organization predominantly into four main divisions; namely, macroeconomics management, sectoral development, social development, infrastructure development, regional and area-based development, and sub-regional and international cooperation development. The NESDB has four regional offices in Chiang Mai, Songkla, Khonkaen, and Nonhtaburi. The NESDB has around 500 staff members that are professional officers called "Policy and Plan

Analysts” and the rest are supporting staff members. The division that handles planning coordination is the Development Evaluation and Communication Office.



Figure 6.2 Organization Chart for the NESDB

Source: NESDB, 2018.

Planning cycle

The process of the national plan formulation is mainly performed by the NESDB. It reviews and performs economic and social analysis and come up with the plan vision, development goals and targets, and development guidelines and strategies. The steps are as follows:

- 1) A taskforce is appointed by the secretary-general comprising members from different divisions.
- 2) The taskforce performs internal review and analysis of the past economic and social development as well as the global context and determines the strategic direction.
- 3) Strategic directions are presented to the NESDB board.

4) Development guidelines are created for plan strategy by the members of the taskforce in their respective areas.

5) Writing up details of the plan where at this stage the NESDB organizes four regional brainstorming and focus group meetings that are organized along the identified strategies. This step changes from time to time.

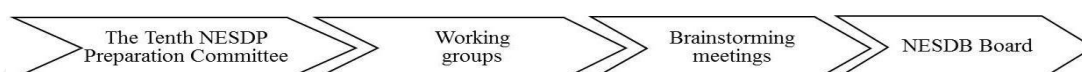
6) The NESDB presents the NESDP to the cabinet for endorsement.

7) Getting the King's Royal Assent

8) The process of planning varies. Some NESDP thematic research is performed by the NESDB staff or by outsourcing to private consultants. For example, in the formulation of the Eighth NESDP, which marks a paradigm shift in planning to a participatory approach, a series of brainstorming sessions were held in different provinces. The NESDP received input from the UNDP. Consultations called “Ignite the idea toward the Eighth National Plan” were organized in September 1995 in Petchaburi Province. It started with a 2-day consultation with academia, media, philosophers, and representatives from the private sector considered as thought leaders. The event was initiated and led by Sumet Tantivetchakul—former secretary-general of the NESDB. It was followed by brainstorming meetings in Bangkok to realize the plan’s vision and to obtain ideas for development guidelines from the general public to politicians, women’s groups, the disabled, the underprivileged, and religious groups. Such brainstorming events were held in every region of Thailand. The Eighth NESDP marked for the first time that the NESDP formulation was based on strategic planning. The Ninth NESDP began with people from all groups in society being invited to participate at the provincial, sub-regional and national meetings. However, the NESDB defines the vision and direction of the plan and its details. Government departments, experts, and representatives from various sectors were invited to consider the details of the draft strategy. The Ninth draft of the NESDP was submitted to the cabinet for comments. The joint cabinet and the NESDB board meetings took place for additional comments. The final draft of the Ninth NESDP was presented to the NESAC and the Cabinet accordingly (NESDB, 2001). The Tenth

NESDP had a plan preparation committee and working groups that were chaired by a deputy secretary-general. Brainstorming meetings with government agencies and ministries, provinces, and NESDB executives were organized. Meetings with sub-national level organizations, communities, and villagers were also held. Research was carried out. The draft plan, which includes the vision and strategies, may be presented during the NESDB annual conference if the formulation process is being carrying out.

The Tenth NESDP Planning Process



The Eleventh NESDP Planning Process

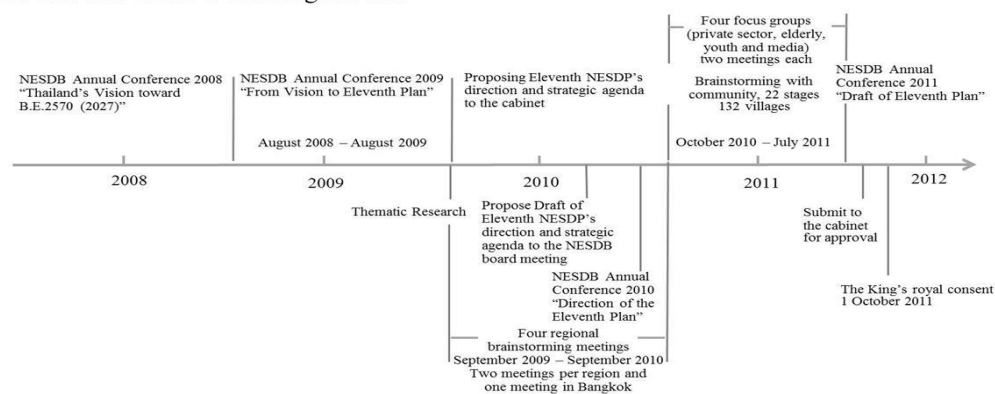


Figure 6.3 The Tenth and Eleventh NESDP Planning Process

Source: Adapted from NESDB, 2011.

The planning cycle runs for one or two years. Vagueness in planning and instability can influence the quantity and quality of the plan inputs. Clearly the BoB is not included at the beginning of the process. All is begun within the NESDB, which could result in incoherent budget planning and allocation. On the positive side the NESDB can deliberately design planning processes that fit the context of society, public administration, and politics and types of stakeholders. The NESDB usually begins drafting the NESDP internally and issues invitations signed by the secretary-general to the heads of government departments to participate in different planning sessions, mainly to give legitimacy to the planning process and the plan. Additionally,

there is no planning policy or contribution required by the government organizations or who besides the NESDB should conduct or submit a study and data as input for the plan formulation even though the National Economic and Social Development ACT B.E.2521 (1978) has provided the NESDB with such authority. Details are discussed in the next section.

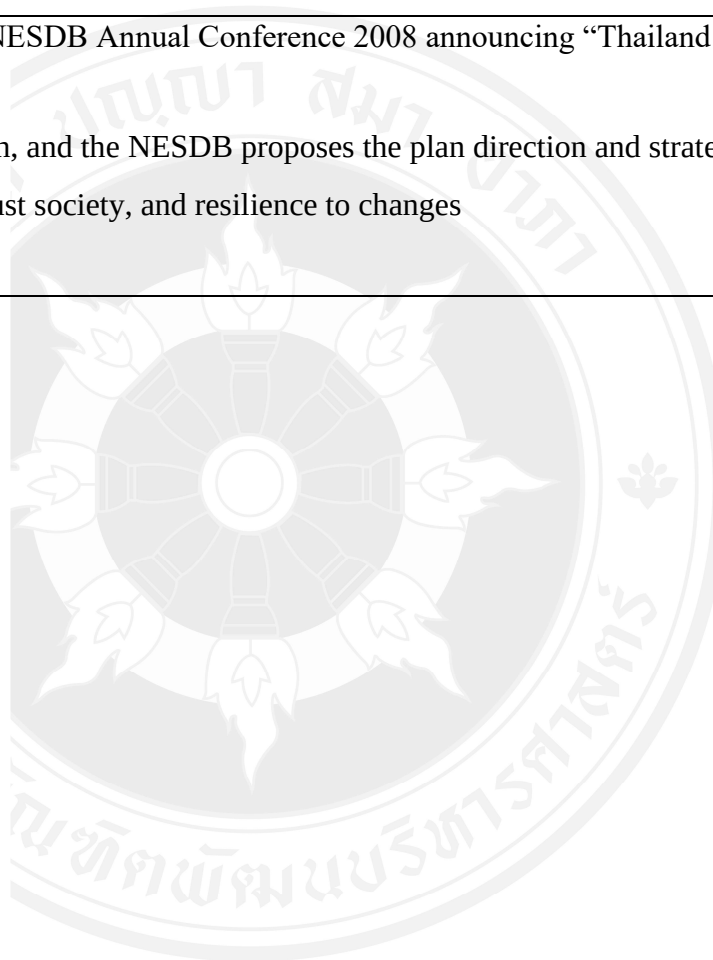


Table 6.1 Evolution of the Planning Approach of the NESDP

NESDP	Approach
First NESDP (1961-1966) to the Fourth NESDP (1977-1981)	• Top-down approach • Project approach • Focus on economic development and basic infrastructure development • After the Third NESDP the focus was placed more on social development.
Fifth NESDP (1982-1986) to the Seventh NESDP (1992-1996)	• Bottom-up approach (mainly from private sector) • Programming Approach • Focus on poverty eradication, continued spatial development (eastern seaboard) and regional growth pole, science and technology, environment, better distribution
Eighth NESDP (1997-2001)	• Participatory planning approach - Influenced by the 1997 Constitution that emphasizes citizen participation in governmental decision - Hearing and brainstorming events were systematically organized across the country, which is so called “booranakarn” in Thai. • Sufficiency Economy Philosophy • Balanced development economically, socially, and environmentally
Ninth NESDP (2002-2006)	• Top-down, bottom-up approach • Bottom-up: provincial level, sub-regional, and national level meetings starting from the formulation of the framework, vision, and direction of the development plan

NESDP	Approach
	• Top-down: the preparation of the plan details through different cooperation mechanisms to jointly consider the details of each draft development strategy • There are many departments, including experts and various sectors together to consider and scrutinize the content of each strategy. • Sufficiency Economy Philosophy • Focuses on people as the center of development, prudent economic management, and governance in all sectors
Tenth NESDP (2007-2011)	• Top-down, bottom-up approach - Bottom-up: define vision, direction, and strategy of the Tenth NESDP by brainstorming with government agencies, brainstorming at the sub-regional level, and four regional brainstorming meetings, two national brainstorming meetings (Annual Meeting 2005), and brainstorming at the community level of 36 sub-districts and 108 villages - Top-down: draft the details of the strategy of the Tenth NESDP and seminars, establish a sub-committee on drafting plans for each strategy, specific research, and seminars for brainstorming of each strategy
Eleventh NESDP (2007–2011)	• Top-down, bottom-up approach - Bottom-up: focus groups (private sector, the elderly, youth and media, brainstorming with the community and four regional brainstorming meetings

NESDP	Approach
	- Top-down: the NESDB Annual Conference 2008 announcing “Thailand’s Vision toward B.E.2570 (2027),”, thematic research, and the NESDB proposes the plan direction and strategic agenda • Inclusive growth, just society, and resilience to changes



Project selection

Section 12 National Economic and Social Development Act B.E. 2521 (1978) states that the NESDB has the authority to conduct study about economic and social situations in order to propose development objectives and policy and to conduct analyses of development programs and projects proposed by the ministry, the department and state enterprises with them, and to arrange coordination of such programs and projects to make central planning for a period time in accordance with the economic and social development goals and priorities based on available resources. In addition, the NESDB is responsible for the monitoring and evaluation of development projects and for giving recommendations on acceleration, modification, or termination when appropriate. The recommendation and opinions of the abovementioned are to be proposed to the board and the cabinet accordingly. However, in reality, the NESDB is not the main agency that selects or sanctions the requested programs and projects because the submission point is at the BoB, not the NESDB, even though the NESDB executives are members of committees chaired by the Deputy Director of BoB.

Budget process

Responsibility of the BoB

The BoB was established in 1959 as the executive central agency responsible for annual budget preparation. The source of the authority of the BoB is Budget Procedure Act B.E. 2499 (1956). Prior to that the BoB was part of the Comptroller General's Department. The structure of the BoB is organized into, for instance, analytical divisions that shadow spending ministries, evaluation, budget policy, and budget strategy divisions. The BoB has around 800 staff members, and the main responsibility of the BoB is as follows.

- 1) Preparing macro-fiscal projections and setting medium-term budget ceilings
- 2) Formulating annual budget allocation strategy and the Annual Budget Act
- 3) Assisting and coordinating with spending government agencies and state-owned enterprises to prepare the annual budget

4) Managing the budget throughout the year and accelerating spending

5) Monitoring and evaluating performance and the results of programs and projects budget cycle

The budget year in Thailand runs from 1 October to 30 September. The budget preparation process begins around 10 to 11 months before the annual budget act is adopted. The budget formulation process comprises five steps: budget planning; budget preparation; budget adoption; and budget execution and budget execution.

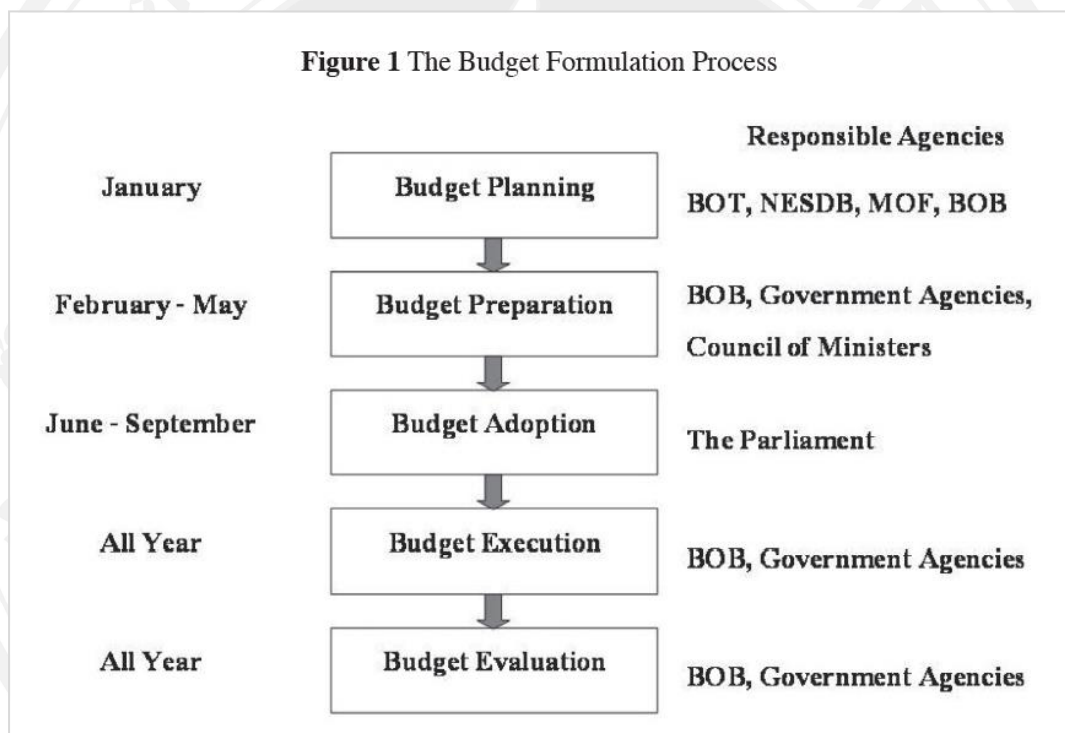


Figure 6.4 The Budget Formulation Process

Source: Pungpravat, 2009.

Budget Planning

To begin the budget formulation process the BoB proposes a budget calendar outlining the activities and timeline for cabinet approval. It is a signal for government agencies to prepare their budget in the upcoming year. Starting in January, the four central agencies—namely the MoF, the NESDB, and the BoT—attend a joint meeting chaired by the prime minister where the BoB is the secretariat. The MoF presents a

revenue forecast and information about the public debt. The NESDB presents a macroeconomic forecast such as GDP growth. The BoB presents an initial budget estimation for the next fiscal year that is based on first round project submission and budget requirements. The surplus, balance, or deficit, key macroeconomic data factors, for instance, gross domestic product, economic growth rate, the volume of imports and exports, inflation rate, public debt, and the financial status of the government are also presented by respective agencies. The BoB compiles the proceedings of this meeting to the Guidelines on Annual Budget Allocation, which is submitted to the cabinet for approval. This is followed by dissemination of the guidelines to all government departments and budget-dependent state enterprises requesting these agencies to submit their budget requests.

Budget Preparation

Around February the BoB sets aggregate annual budget ceilings for each ministry. All of the budget dependent agencies submit their second-round budget proposal to the BoB. The Handbook for Budget Request Preparation explaining the methods for completing the budget request along with the Guidelines on Annual Budget Allocation are circulated to all agencies. The shadowing divisions consider the budget requests of their respective agencies, and the BoB cuts the budget so that it fits the determined budget ceiling. Petcharat Serephanpanich, the Director of Budget Strategy Office or in Thai kong yuttasard ngob pramarn of the BoB, explains this in the following:

There is a committee that is chaired by the BoB whereas the NESDB is a member of the committee. The purpose of the committee is to translate the NESDP into annual budget plan and to set appropriate target and KPIs. OPDC technically should take the advisory role in target setting. But the role of OPDC is not so intense. So, nothing happens.

The BoB retains its power in budget preparation even though the entitlements including salaries, wages, and public utility fees, account for 70% of the total budget, which is barely cut. Ad hoc committees chaired by the deputy director of the BoB are appointed to make decisions on the remaining, which is capital expenditures, for example, equipment, land, and construction. These committees cut the budget where the analysis is prepared by budget analysis officers that are responsible for

coordinating with the government agencies. Serephanpanich of the BoB explains the importance of controlling area of development and allocation as the following:

There is no sub-committee that includes line ministries because we want it (budgeting) to be top down say this is what we want line ministries to request budget, to do these things. We as a macro level office we have to point out the targeted area for line ministries. These are urgent and important agenda that must be implemented. Nevertheless, BoB organizes meetings with ministers to listen to some policy that they want us to concentrate. (The Executive Director, BoB, 2019)

The criteria for budget proposal assessment includes the responsibility and mission of the spending ministries and agencies; alignment with the NESDP and the government priorities; alignment with the budget allocation strategy; and administrative unit costs. However, the budget preparation is neither thoughtfully nor strategically prepared by strategic planning exercise (Blöndal, Jón R. and Kim, 2006; Pungprawat, 2009), nor is national priority because they usually are not charted by government agency decision-makers.

After budget requests are finalized, the BoB compiles the budgetary allocation for each department as the Annual Budget Proposal and submits it to the cabinet. The cabinet rarely makes changes or disapproves of the budget. The Annual Budget Bill and supplementary documents will be proposed to parliament for consideration around the end of May or the beginning of June and the National Assembly accordingly.

Budget Adoption

Budget adoption comprises three stages. The first stage is consideration of the bill in principle, which involves debate about the general administration of the government and the government's policies. Voting occurs after the debate. The second stage is consideration of the amendments, which involves an ad hoc House committee, a scrutiny committee to consider the bill in details. The committee is divided into several sub-committees to scrutinize the budget. The Director of the BoB serves as the secretary of the committee. The deputy directors of the BoB are the

secretariats of the sub-committees. The scrutiny committee meetings are attended by the heads of government agencies and the directors of state budget-dependent enterprises so that they can answer questions raised by the committee concerning the details of each department's budget. After the scrutiny committees finish scrutinization and suggestions for amendment, a report is submitted to the House of Representatives. The second reading, a consideration of the details of the Annual Budget Bill based on the amendments made by the scrutiny committee, takes place at the beginning of September. When voting for all of the articles has concluded, deliberations on the second reading finishes. The third is the final consideration and involves the House of Representatives deciding whether to approve the entire Annual Budget Bill. After the bill is approved by the House, it is submitted to the Senate House where only approval or disapproval can be reached. The Annual Budget Act will be enacted by October 1.

Budget Execution

Budget execution consists of fund disbursement. All government agencies' spending is controlled by the BoB (Pungpravat, 2009). The transferring of money falls into the responsibility of the CGD. The Regulations on Budget Administration is the source of authority for the BoB, where the spending agencies are required to submit spending plans to the BoB prior to spending. As a result, the NESDB plays "second fiddle" because the BoB takes lead on preparation, negotiation, allocation, and execution of the funds. Capital expenditures, if they are to be transferred or adjusted by the spending ministries, must be approved by the BoB.

Budget evaluation

Budget evaluation refers to monitoring and assessing the spending of government agencies responsible by the Monitoring and Evaluation Division. It uses two important indicators, the progress of spending and the output of spending.

Implementation coordination

In Thailand there is neither a central implementation coordination mechanism nor a responsible agency. Nonetheless, the NESDB sectoral officials may follow up the implementation progress when needed to gather input for analysis or to prepare policy recommendations.

Monitoring and Evaluation

There are a number of government departments perform monitoring and evaluation, and each organization takes different aspects of the monitoring and evaluation. The OPDC concentrates on government organization efficiency. The BoB focuses on budget administration and output delivery. The CDG handles spending performance and procurement issues. The NESDB is in charge of mid-term and the end-of-year review of the NESDP. The OCSC oversees individual performance evaluation that is tied with salary increases and bonuses.

6.3.1.2 Existence of laws and regulations determining the roles and relationships among the planning organization and concerned public organization, private sector associations, CSOs, think tanks, and stakeholders within clear planning mechanisms

From 1978 to 2015 the NESDB's source of authority came from the National Economic and Social Development Act B.E.2521 (1978). The explanation in this section focuses on the act and planning guideline of the NESDB that enables effective planning preparation and translation into programs and projects. However, the NESDB does not optimize the existing NESDB Act in order to carry out planning, implementation coordination or M&E. The latter has a problem that lies in an overlapping in the monitoring and evaluation concept and functions among central executives, resulting in the NESDB's low capacity in influencing effective implementation. Of the NESDB's source of power, as discussed in the following. The sections that highlight the authority to the NESDB given by the Act are as follows.

Table 6.2 National Economic and Social Development Act B.E.2521

National Economic and Social Development Act B.E.2521	
Section 4	A “development project” means an economic and social development investment project with definite objectives, aims, and implementation period which may be carried out by any government agency or state enterprise, not being its normal administration. A work plan means a system for uniting two or more related development projects to be in line with each other in their process of implementation in order to achieve the desired objectives and aims. A “plan” means a program concerning the unity of selected development projects and work plans of the country or regions or certain branches or sorts of activities in any locality in order to achieve the desired objectives and aims and to be in line with the financial and other resource capability.
Section 5	There shall be a National Economic and Social Development Board consisting of a President and not more than nine other members possessing economic and social knowledge and experience and are appointed by the Council of Ministers. The Secretary-General of the National Economic and Social Development Board, the Secretary-General of the Civil Service Commission, the Director of the Budget Bureau, the Director of Fiscal Policy Office, and the Governor of the Bank of Thailand shall be ex-official members. The Secretary-General of the National Economic and Social Development Board shall also act as the secretary of the Board.

National Economic and Social Development Act B.E.2521

- Section 6 The National Economic and Social Development Board has the following duties:
- (1) to submit to the Council of Ministers recommendations and opinions concerning economic and social development
 - (2) to consider national economic and social development plans and other recommendations made by the Office of the National Economic and Social Development Board and to submit opinions thereon to the Council of Ministers
- Section 12 There shall be the Office of the National Economic and Social Development Board having the following duties:
- (1) to survey, study, and analyze the socio-economic situation in order to recommend aims and policies on the economic and social development of the country
 - (2) to consider work plans and development projects of the Ministry, Sub-Ministry, Department, or government agency which is called by another name but has equivalent status and any state enterprise with such Ministry, Sub-Ministry, Department, or government agency which is called by another name but has equivalent status and State enterprise, and to coordinate such work plans and development for central planning in accordance with the national goal of economic and social development based on existing resources and priority for the use thereof
 - (3) to study matters concerning financial capability, manpower, and other existing and non-available resources and to lay down a plan for utilizing and acquiring such resources for the state's benefit
 - (4) preparing proposals with the Ministry, Sub-Ministry, Department, and government agency which is called by another name but has equivalent status, that has duties related to the national budget in matters related with the annual budget for increased fixed assets for social and economic development and the expenditures from all

National Economic and Social Development Act B.E.2521

sources of funds

(5) to study and analyze actual expenditures for construction and maintenance of main permanent assets used in the economic and social developments in order to suggest necessary modification of such expenditures and to instill efficiency in the construction and maintenance of such main permanent assets

(6) to study and analyze actual expenditures for economic and social services in order to suggest necessary modification of such expenditures

(8) to monitor and evaluate of the results of development projects implemented by the Ministry, Sub-Ministry, Department, or government agency which is called by another name but has equivalent status and state enterprise and, when deemed appropriate, to give recommendations concerning the expedition, modification, or termination of the development projects

Section 13 The Ministry, Sub-Ministry, Department, or government agency, which is called by another name but has equivalent status and any state enterprise with such Ministry, Sub-Ministry, Department, or government agency which is called by another name but has equivalent status and state enterprise to propose development projects or work plans to The National Economic and Social Development Board to provide recommendations as part of the Annual Budget Bill or Supplementary Budget Bill

Source: NESDB, 2011.

With the Act, the NESDB has the power to provide recommendations on economic and social development to implementing agencies. Section 12 (2) indicates that the NESDB has to consider work plans and development projects of the line ministry, department and state enterprises, and to coordinate such work plans and development projects for central planning in accordance with the national goals based on existing resources. In addition, the Act also suggests that the NESDB is charting with prioritization of projects with regards to effective utilization of resources. Section 12 (8) indicates that the NESDB can perform monitoring and evaluation and give advice to the agencies to accelerate implementation of, modification or even termination of the ongoing projects. Nonetheless, there is no regulation or guideline to fill such roles. Instead, the NESDB's legal framework is progressive in terms of overseeing the capital expenditures of the state enterprises. The NESDB issues "Criteria and Procedure on Capital expenditure of state enterprise B.E. 2555 (2012)," which is the rectified version of the B.E.2009 (2552) as well as a guideline and criteria for development project analysis modified B.E. 2555 (2012) to support section 12, 8, and 9 of the NESDB Act. As a result, alignment and prioritization of projects depend on the BoB. The NESDP cannot guarantee that the activities and targets of the approved projects will support the realization of the NESDP objectives and goals. Ongoing monitoring and evaluation of the NESDP rely on individual relationships and leadership and different machinery of the implementing organizations.

To sum up, the BoB has almost absolute control over budgetary allocations. Details of programs and projects and the amount of required fund are discussed between the BoB and line agencies (Pungpravat, 2009). This makes the BoB a very powerful central executive agency in the budget process (Buracom & Lorsuwannarat, 2011). Ammar Siamwala explains the authority and power of the NESDB and BoB in the following:

If I am not mistakenly remembered since I was working with NESDB the First, Second and Third Plan, the country's problems at that time were framed by the World Bank...Second and Third Plan the methodology is clear...The Plan is intended to be able to accommodate these investments. At that time, NESDB was the pioneered in infrastructures...It is a large amount of money.

So, the priority is there. The BoB basically has to accept the judgement of NESDB of which comes first and what comes after and then the nation is moving forward. (Siamwala, personal communication, October 19, 2017)

According to Siamwala, the NESDB has lost its convening power. In the first era of planning economics and distribution were managed by the NESDB. Infrastructure development funding was determined by the NESDB and had to be incorporated into the NESDP. However, when the role of the private sector in the economy increased, the ministries began to bypass the NESDB. This legal weakness was observed by the politics particularly when the 20-year National Strategy prepared under Prayuth government. The NESDB is tasked as the secretariat to National Strategy Committee. The new National Economic and Social Development Council Act B.E.2561 (2018) was enacted in 2018. The Act proposed a new organizational structure and responsibility to ensure appropriate allocation of the budget and the 20-Year strategy implementation and monitoring and evaluation. Kobsak Pootrakool, the then Minister attached to the Office of the Prime Minister stated that “the new unit will work closely with the Budget Bureau in monitoring the use of the annual state budget allocated to address income disparity and poverty” (Theparat, 2018). Since then the NESDB has changed from the Office of the National Economic and Social Development Board or NESDB to the Office of the National Economic and Social Development Council or NESDC.

6.3.1.3 Association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in policy analysis

Association with public organizations depends on the sectoral divisions in the NESDB. They discuss and exchange data and information occasionally. It is usually for the NESDB staff to sit on different committees or work groups organized by the agencies. Likewise, association with CSOs and think tanks is not systematically organized. It depends on sectoral divisions in handling relationships where they deem appropriate for their work. However, there is a formalized mechanism where the NESDB and private sector play are equal partners—the Joint Public and Private Sector Consultative Committee or JPPSCC, which was formed in 1984 during the Fourth NESDP, which the Eastern Seaboard initiated. It serves as a

collaborative mechanism to provide advice to the government on advancing the economy. The JPPSC is a two-tier mechanism. One is the National Joint Committee of Public and Private Sector for Resolving Economic Issues and the other is the provincial committee. In recent years the National Joint Committee has been less active, but the provincial committee still plays an active role during the provincial cabinet retreat meeting where local economic issues and development projects are brought to the cabinet. Nevertheless, the committees are the channels for raising private sector concern issues rather than a joint policy analysis platform.

6.3.1.4 Association with policy public organizations, private sector associations, CSOs, and think tanks and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation of the development plan

Government departments, CSOs, and think tanks can be involved in national planning activities in focus groups organized along broad themes, such as the economy, society, and the environment by the NESDB. Provincial administration and local administrative organizations and local private sector representatives take part in regional brainstorming meetings. Regarding implementation the NESDB does not have a mechanism to associate these groups. For monitoring and evaluation, the Development Evaluation and Communication Office or the DECO is the focal coordinating point with different divisions in the NESDB for plan formulation and preparation of the Monitoring and Evaluation of the First Two Years of the National Economic and Social Development Plan Report. The DECO was formed to enhance the understanding and participation of stakeholders in the development process as it is critical for translating the NESDP into actions (Office of the National Economic and Social Development Board, 2002a). The DECO performs evaluation based on the selected flagship projects of implementing organizations identified in the NESDP. Thus, people who participate in the projects evaluation are mainly government officials. Marayart Samootsakorn, who was the former Executive Director of DECO, shared with the present author that when she first took the position, she wanted to improve the approach and methodology of the report because it was invalid. However, it was a pretty tough time for her because the DECO is where the “deadwood” does, according to her.

The evaluation in the (Evaluation of the First Two Years of the National Economic and Social Development Plan) report is all DECO's staffs own judgement and a mere explanation from the opinion survey and report from the line ministries. It's not an explanation for the whole country. DECO is the least competent office in the NESDB. When I posed there, I intended to build DECO and equip the staffs with a skill set like the (NESDB) Macroeconomic office but they did not get it. I think evaluation needs certain technique and skill set.

In the BoB, there is the evaluation division which is in charge of evaluating the budget spending. This division was founded in 1982 as the Evaluation and Report Division and developed into the Evaluation and Project Division in 1988. Later Divisions of Programs and Project Evaluation and the Evaluation Division were established in 1990 and 1994 accordingly. Since the Strategic Performance-Based Budgeting System was introduced in 2003, budget evaluation has emphasized outputs as a representation of spending results. Government agencies are required to report their spending performance to the BoB every three months. Two indicators used are the progress of spending and the output of spending.(Pungprawat, 2009).

The OPDC uses the Royal Decree on Criteria and Procedures for Good Governance B.E. 2546 (2003) as a legal framework for implementing performance evaluation. Section 9 of the Part 3 Results-Based Administration of Public Sector of the Royal Decree indicates that in order to achieve results-based management in the public sector the government agencies are required to develop a four--year action plan that is in line with the four-year GAP. The action plan must provide a time frame, a budget, target, outcomes, and key performance indicators, which is an execution of the organization's strategy. The government agencies must carry out monitoring and evaluation of the administrative plan based on their own criteria. Section 22 under Part 4 Efficient Public Management and Value for Money, the NESDB and BoB are tasked to perform efficiency evaluation and report to the cabinet as inputs for budget preparation in the next fiscal year. Section 45 requires that evaluation be done by independent evaluators. The Performance Agreement is to be signed between the director-general of a government department and the secretary-general of the respective ministry and between the secretary-general and the respective minister in

order to show commitment to the organization's development and mission accomplishment. Government organizations and provinces have to submit a Self-Assessment Report to the OPDC three times a year. The OPDC staff makes site visits for pre- and post-evaluation. The OPDC submits the evaluation results to the cabinet for approval of incentive allocation.

The monitoring and evaluation framework and system is fragmented and none of the central executives has absolute control over integrated results-based management. The NESDB's evaluation activity is not linked with the BoB or OPDC. On the contrary, their monitoring and evaluation results do not link up with the NESDB national planning or mid-term review. The NESDB, hence, lacks on the ground information to monitor and evaluate implementation progress. As a result, association with public organization, the private sector, the CSO and think tank was not found to be significant in this study.

6.3.1.5 Transparent, participatory, engaged dialogue with public organizations, private sector associations, CSOs, think tanks, and stakeholders

No data were found on the NESDB's capacity to design and carry out transparent, participatory, and engaged dialogue. The absence of this capacity corresponds to low capacity in managing stakeholders in an open and transparent atmosphere, and being attentive and having knowledge about specific stakeholders.

6.3.2 Institutional Linkages

During the first few NESDPs technical assistance from international organizations, particularly the World Bank were received. The NESDB also coordinated with other government organizations, but the role has been reduced since Thailand has shifted from a recipient to a donor country. It is stated clearly in Section 12 and 14 of the NESDB Act B.E. 2561 (2018) that requests can be made to the implementing agencies for the provision of development projects, its necessity, and results that need technical or financial or foreign assistance. However, in the past decades regional and sub-cooperation has been growing. A unit that is presently called International Strategy and Coordination Office has been established in the NESDB to handle regional and sub-cooperation and capacity development with international organizations such as the World Bank, the UN agencies, and the Asian

Development Bank or ADB. However, other sectoral offices in the NESDB can also initiate and conduct a study with the agencies on matters that enhance technical capacity. As a result, the International strategy and coordination office, while it could strengthen institutional capacity through strategic cooperation in order to strengthen the NESDB's planning capacity and identify new bodies of knowledge required, its focus and impact seem to be ineffectual.

Table 6.3 National Economic and Social Development Act B.E.2521

National Economic and Social Development Act B.E.2521	
Section 12	“There shall be the Office of the National Economic and Social Development Board having the following duties: (7) to consider, suggest, and determine principles for the Ministry, Sub-Ministry, Department, or government agency which is called by another name but has equivalent status and State enterprise for the making of work plans and development projects which may require foreign, technical, financial, lending and operating assistance for the implementation in accordance with the national economic, and social development plan”
Section 14	“The Office of the National Economic and Social Development Board has the power to direct the ministry, sub-Ministry, department, or government agency which is called by another name but has equivalent status and State enterprise to carry out the following: (1) to submit work plans and development projects as well as technical, financial and statistical details and other particulars necessary for studying domestic socio-economic situations, including work plans and development projects that require assistance foreign assistance, and other particulars necessary for studying domestic socio-economic situations (2) to submit facts necessary for evaluating the end results of the work of development projects under implementation”

Source: NESDB, 2011.

6.3.2.1 Points for interaction and cooperation, for example, memberships, partnerships, associations, and networks

Like other developing countries international organizations such as the World Bank, ADB, UN agencies, and OECD are important development partners providing advice on infrastructure development and preparation of sectoral and thematic policies. After Thailand was hit hard by the 1997 financial crisis the focus was placed on macroeconomic management, public finance, and public administration reform. In recent years, the NESDP has been increasingly complex as it wants to achieve inclusive and sustainable growth. Thus, redistribution policy and thematic study have become the central themes of cooperation. The types and degrees of cooperation vary depending on development issues and the requirements of international cooperation and foreign assistance. Details are as follows.

The NESDB and World Bank

Since the 1950s the World Bank has been a key partner with the NESDB. Several reports were produced recommending the substance of future development plans, economic and industrial policy, and public development programs. However, this cooperation has gradually decreased partly because Thailand is no longer a recipient country. Another reason is because of the military ruling the government in the 2000s, which did not meet the Bank's terms. In addition, the key counterpart is the MoF, which does not pay so much attention to the World Bank. As such the World Bank and the government ministries have built their own connection. Technical assistance then has turned out to be project-based analysis rather than using a programmatic approach. Thailand's and the World Bank's cooperation is run on the basis of a country partnership. Kiatpong Ariyapruchya, Senior economist at the World Bank Thailand Office, stated the following in this regard:

Actually, in the past Ministry of Foreign Affairs saw partnership with international organization as a strategy...But the counterpart of the World Bank must be Ministry of Finance. But the MoF does not pay attention to this. So, it discontinues. Ministry of Foreign Affairs and MOF must work together in this case. We lack technical counterpart. I think there is certain time from 1997-2000 during Thaksin government that Thailand did not pro international

organizations like the World Bank. There was once after the military Coup d'état in 2006. Thai government requested the Bank's assistance. But it's conditional for the Bank that if you had coup d'état, we have to wait and see the progress such as human rights issues for instance, a roadmap to election which was lacking at that time.

The NESDB and ADB

Since 1993 the NESDB has stepped up its role in promoting sub-regional cooperation, for example with the Indonesia-Malaysia-Thailand Growth Triangle or IMT-GT and the Greater Mekong Subregion or GMS where the ADB plays an active role in providing both technical and financial assistance, not only to the NESDB but also other government agencies in order to improve capacity in policy analysis in infrastructure development (Asian Development Bank, 2019). In 1996 the ADB became a key partner supporting the NESDB as national secretariat to the GMS in Thailand. Thailand and ADB cooperation is based on the Country Partnership Strategy. The recent Country Operations Business Plan 2019-2021 was initiated by the ADB to bridge the gap between the Country Partnership Strategy 2013-2016 and the forthcoming Country Partnership Strategy 2020-2024.

The NESDB and United Nations Development Programme or UNDP

The UNDP and Thailand have an equally and mutually beneficial partnership. It is nationally executed under the coordination of the Ministry of Foreign Affairs or the MFA and NESDB based on the agreed Country Programme. The recent partnership is the Country Programme for Thailand 2017-2021 in which the rationale and areas of cooperation were built upon the NESDP and UNDP country assessment, the UNDP Strategic Plan, and the Thailand United Nations Partnership Framework. The focus of programmatic areas is promoting anti-corruption, inclusive engagement, social cohesion, and promoting green and inclusive growth.

The NESDB and Organization for Economic Co-operation and Development or OECD

Thailand and the OECD have been partners in policy for 15 years at the time of this writing. The NESDB hosted the OECD Depository Library. It was a landmark of Thailand's preparation to become an OECD member. However, it

stopped and has recently been restored. The OECD welcomes Thailand's participation in several OECD bodies and activities in order to help strengthen policy analysis capacity. The Country Programme was signed on May 31, 2018 by Minister Kobsak Pootrakool and Ángel Gurría, the OECD Secretary-General. The CP is prepared by the MFA with the assistance of the NESDB. The NESDB was assigned by the cabinet to be the main agency in the implementation of the Country Programme for monitoring and evaluation. In the NESDB the International strategy and coordination office is responsible for such activities. The present researcher took part in charting coordination with the MFA and the OECD, both the programme in general and the joint study between the NESDB and OECD Development Centre, a body under the OECD. There are several degrees of participation that a country can engage in with the OECD such as being a member, observer, or participant. Ministries and Government agencies are members of, for instance, the Global Forum on Transparency and Exchange of Information for Tax Purposes. The MFA is a member of the OECD Development Centre's Governing Board. Implementing organizations are participants in OECD Committees such as the Fisheries Committee, the Working Party on SMEs, and the Entrepreneurship and Committee for Scientific and Technological Policy. While the NESDB is not yet a member of any committee it is still invited to meetings.

The present author has had direct experience with the MFA and OECD through innumerable communications; and after three visits to the OECD Headquarters for almost two years suggests that there is a power struggle between NESDB and MFA. The NESDB, however, has managed to lead the substance and monitoring of the overall programme because of the leadership of the deputy secretary general, who was in charge of international and sub-regional cooperation, which has deepened partnerships and engagements with the OECD. This close cooperation has enhanced the capacity of the NESDB with new analytical techniques.

In general, there is no strategic move in partnerships with international organizations. The NESDB has built partnerships and formal and informal associations and networks mainly with international organizations since being established in the 1950s, but the degree of cooperation depends on the leadership of the management. The International Strategy and Coordination Office as an

international organization is neither seen as a channel to fulfill knowledge gaps in planning or bolstering the NESDB's image, particularly in the international arena.

6.3.2.2 External communication

External communication reinforces support from key stakeholders and actors and raises the organization's profile. Communication in this study focuses on joint study publication where the NESDB is the main counterpart with four international organizations, namely, the World Bank, the OECD, the UNDP, and the ADB due to availability of data and in order to maintain the objectivity of the study. The investigation was performed using a search engine of the organizations' websites on publications related to Thailand; the results are below.

Table 6.4 Publications Related to Thailand

Organization	Number of Publications/Reports Related to Thailand	NESDB as Counterpart
World Bank	767	none
OECD	263 (from 1990-2018)	Multi-Dimensional Country Review (2018-2019)
UNDP	73 (From 2004-2014)	• Volume I • Thailand Human Development Report 2007, 2009, 2014 • Thailand Millennium Development Goals 2004 and 2009 • Mae Hong Son Provincial Millennium Development Goal Report 2008 • Trang Provincial Millennium Development Goal Report 2008
ADB	503 (From 1989-2019)	none
Total	1608	8

The analysis reveals that the external communication of the NESDB with international organizations is limited. There is no joint publication of the World Bank and the NESDB. The UNDP has been in close cooperation with the NESDB's social office in developing the Thailand Human Development Report and the two Millennium Development Goal reports. Joint publications of the OECD and NESDB have increased in recent years after the Country Programme commenced. The ADB focus is on technical and financial assistance for the GMS rather than joint publication. The results correspond to the form and degree of partnerships between the NESDB and its partners.

6.3.2.3 Structural Unit

The International Strategy and Cooperation Office where the present author was attached for six months as an acting head of International Organization Cooperation team is responsible for sub-regional cooperation such as the IMT-GT, GMS, and Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area or BIMP-EAGA, and cooperation with international organizations, as previously mentioned. However, based on the author's firsthand experience and observation, it was revealed that sub-regional cooperation outweighs the international partnerships where in the past the NESDB put more effort into cooperation despite the fact that by the NESDB Act is the authority of the planning agency. Marayart Samootsakorn stated the following in this connection:

In the past, NESDB had a lot of technical assistance from international organizations. NESDB is the clearing house because we were think tank. So, we could manipulate. Projects do not directly go through line ministries, but they can be picked up and involved (Marayart Samootsakorn, personal communication, May 18, 2019)

6.3.2.4 International organizations are formally incorporated in the planning mechanism.

It seems that the structural unit does not reinforce the participation of international organizations in planning mechanisms. Ariyaprichya of the World Bank argued that even though the World Bank and Thailand have a Country Partnership

Framework, a central organization driving the partnership is lacking. He shared his ideas on the areas in which the World Bank could provide technical assistance to the NESDB. It is felt that Ariyapruchya has witnessed the weakness of the NESDB, which could be strengthened in order to improve the NESDB's role as the key partner influencing the government organizations to enhance cooperation with the World Bank. Ariyapruchya stated the following: "The country that has an effective partnership is the one with an organization that lead the overall picture and collaboration with international and certain agency like EPU and PEMANDU." Ariyapruchya further emphasized that the World Bank is not formally included in the five-year planning despite its keenness to provide insight and its willingness to mobilize its resources, such as experts and data, as he indicated: "No, sometimes we are invited to public hearings in the middle of process or when planning is almost done. It's not formal. Sometimes we received invitation letter."

6.3.2.5 Public organizations, private associations, CSOs, and think tanks are formally incorporated into the planning mechanism

The participation of public organizations, private associations, CSOs, and think tanks was not found in this study. This finding corresponds to the low degree of association with public policy organizations, the private sector, CSOs, think tank, and the stakeholders in national plan formulation, implementation monitoring, and evaluation.

6.3.3 Stakeholder Management

Stakeholder management of the NESDB is identified in a very broad sense in the present context. "The Fourth NESDP marked the materialization of formal stakeholder participation in planning and implementation by the establishment of the JPPSCC. However, it was not stakeholder participation" (Marayart Samootsakorn, personal communication, May 18, 2019). Public participation became a major subject during the Eighth NESDP formulation. An array of stakeholder groups were expanded. In 2002 the NESDB recognized public sector officials, community development organizations, local administrative organizations, students, the media, international organizations, and the general public as stakeholders. The purpose of stakeholder identification is that they understand the plan objectives and directions

that contribute to the translation the NESDP into action (Office of the National Economic and Social Development Board, 2002a). However, working with stakeholders seemed to be fragmented and unsystematically organized. The capability of the NESDB staff in designing and conducting stakeholder activity in an open and transparent atmosphere was lacking. Details are discussed as follows.

6.3.3.1 Identification of stakeholders and the analytical activity of its potential impact on the organization

The NESDB's policy regarding stakeholders was not explicitly found. However, several documents revealed that the NESDB refers to different groups that participate in the planning process. For the Eighth NESDP the bottom-line is the participation of stakeholders in planning, influenced by the thought of the NESDB secretary-general and the elite network. An array of stakeholders was included including the private sector, academics, philosophers, politicians, women's groups, the disabled, the underprivileged, religious groups, CSOs, NGOs, provinces, and the media and UNDP. The Tenth NESDP included ministries, provinces, communities and villages and the general public as part of determining the vision, direction, and strategy of the plan in a series of brainstorming sessions. The Eleventh NESDP covered the private sector, the elderly, youths, the community, and villages and the media.

Table 6.5 Summary of Groups that are Assumed to be Stakeholders of the NESDB

NESDP	Government	Politics	Private Sector	Third Sector	International Organizations	Others
Eight NESDP	General public Academia Media Philosophers	Politicians	Private sectors		UNDP	Women groups Disable Underprivileged Religious groups
Ninth NESDP	Government and state-owned enterprises Officials Academic Media			Civil society organization Community development organization Community representative		

NESDP	Government	Politics	Private Sector	Third Sector	International Organizations	Others
Tenth NESDP	NESDB board members Government officials from all ministries	Cabinet members				Former NESDB officials Provinces Villagers General public
Eleventh NESDP	Provincial administration representatives Local administration representatives		Private sector	Civil society organization Community development organization		Elderly Youth Media Academic Local wisdom leaders

Different stakeholder groups demonstrate the adaptation of the NESDB in planning, not mainly to respond to the changing landscape of stakeholders, but the influence of high-level decision makers as shown by the variety of stakeholders taking part in the Eighth NESDP formulation.

This study, however, found that the public consultation guideline as part of the Regulatory Impact Assessment funded by the APEC is available on the NESDB website. The guideline indicates that “stakeholders are persons who are directly and indirectly affected by a regulation. A list of stakeholders is provided. They are business entities, professional, employees and community associations, consumers, the government, academics and research institutions and the general public. However, the guideline is not linked or applied to planning or other policy analysis activities.

The broad identification and change of stakeholders demonstrate that stakeholder management policy is absent in the NESDB while there is no clear clarification of what contribution would be received by the mounting of stakeholders. Marayart Samootsakorn said that the “NESDB never does stakeholder mapping...public participation process requires stakeholder mapping and appropriate methodology that suit each of different development agenda and types of stakeholder. We are one fit all. Organizing meeting is considered a stakeholder management.” (Marayart Samootsakorn, personal communication, May 18, 2019)

6.3.3.2 Division devoted to handling data and information, and monitoring and balancing inter-stakeholder relationships

The DECO in the NESDB was formed in order to engage stakeholders. The present author worked at the DECO for six months in 2017 and found that it is a “pool of deadwood.” The medium for communication is simply the NESDP people’s edition and journals. Training or stakeholder engagement activities and relationship management were barely seen. Further, the present author’s experience with the NESDB, dealing with stakeholders, took place while the draft plan was taking shape. The persons that handle consultative meetings are usually the staff members from sectoral divisions that are responsible for data collection and writing in their respective areas. They take notes and extract the information based on their own judgement and write up the plan. Their stakeholders are mainly government departments. On occasions they act as a bridge between the international organizations and academics in the form of joint study principally to support their mission.

6.3.3.3 Formal plans or policies for stakeholder participation and the specification of desired goals and common benefits in each stakeholder relationship

In Thailand the legal framework that promotes the engagement of stakeholders was developed beginning in 1997. They aimed to reinforce the participation of various groups and the general public in law making and policy analysis in an open manner. The 1997 Constitution Section 59 states that

a person shall have the right to receive information, explanations and reasons from a state agency, state enterprise, or local government organization before permission is given for the operation of any project or activity which may affect the quality of the environment, health and sanitary conditions, the quality of life or any other material interest concerning him or her or a local community, and shall have the right to express his or her opinions on such matters in accordance with the public hearing procedure, as provided by law.

Section 76 states that “the state shall promote and encourage public participation in laying down policies, making decisions on political issues, preparing

economic, social, and political development plans, and inspecting the exercise of state power at all levels.”

The 2007 Constitution Section 56 similarly emphasizes the right of a person to be informed and provided public information. Section 57 underscores the right of a person to receive explanation from government agencies about a project or activity that might affect the quality of life. It is duty of the state to organize a comprehensive public consultation process prior to the implementation of, for example, a social, economic, political, or cultural development plan, a country plan, land use, and the enactment of a rule. The 2017 Constitution section 77, which attempts to curtail the unnecessary introduction of new laws, indicates also that consultation with stakeholders is a necessary part of assessing the possible impact on people and the outcome of enforcement. The Rule of the Office of the Prime Minister on Public Consultation B.E. 2548 (2005) stresses the importance of the environment, health, and how the person’s life impacts state project analysis. Public consultation methods are also described, such as opinions by survey, for instance, individual interviews, mail, telephone conversations, information networks and focus group discussion, and consultation meetings by public hearing, public debates, and meetings with representatives of relevant parties and information exchange.

Even so the NESDB does not have an internal plan to support such laws. Nevertheless, the 1997 Constitution has influenced the adjustment of the planning process. The NESDB Act itself has never been altered in accordance with the law. No document concerning public consultation methods was found in connection with planning except simple catchphrases, including a “public consultation meeting” or in Thai “prachoom rub fang kwan kid hen,” “brainstorming,” in Thai “radom samong,” and “focus group,” in Thai “prachoom kloomoyoi” that have been commonly used in invitations to government agencies and representatives from different sectors. However, it was found is that there are public consultation guidelines prepared by the NESDB, the Ministry of Justice funded by the Asia-Pacific Economic Cooperation or APEC available on the NESDB website. The researcher was part of the team that prepared and implemented the Regulatory Impact Assessment project. Its objective was not to produce a guideline for consultation per se but as part of regulatory impact assessment activities. It was intended to respond to

the 2017 Constitution previously mentioned and to be adopted by a wider audience in the Thai civil sector. The project was led by Marayart Samootsakorn, who was then the Policy and Plan Analyst, expert level in the Competitiveness Development Office. Neither has the guideline been applied to NESDP formulation nor has it been connected to any other functions of the NESDB. The purpose of the guidelines is to assist government officials to identify, plan, and execute public consultation with affected stakeholders.

6.3.3.4 Staff with necessary skills: being listening and attentive, negotiating and having knowledge about specific stakeholders

The NESDB's planning officials are not equipped with listening or negotiation skills and are not attentive to the stakeholders that they engage with. What was found from this study is that the NESDB is essentially "trapped in the old days" and is bound with a bureaucratic culture that restrains the NESDB's officials from strengthening this capacity. In terms of public consultation, brainstorming sessions per se are rather ceremonial. In the present author's opinion, this is partly a result of a lack of paradigm shift in planning and among the NESDB staff members. Thus, they continue to regard themselves as central planner and not coordinators that "connect the dots" to build a network of stakeholders. Often, the NESDB is referred to as a "commentator". However, this is not the only role that government departments, whether at the national government or provincial administration level, expect from the NESDB. People expect the NESDB to guide and assist in resolving the complexity of joint actions in the messy government administration system. They see the NESDB as an intermediary for coordinating implementation. A Policy and Plan Analyst, expert level in the Ministry of Interior, who has been in service for 19 years and has been posted to several northern provinces, indicated the following in this regard:

I want to see NESDB as the "project coordinator"...In the past you have Area-based development office in NESDB charting Eastern Seaboard and this office has to oversee Special Economic Zone and Eastern Economic Corridor. My question is can't NESDB regional offices perform such role? (personal communication, October 8, 2019)

In addition, the NESDB planning officials have limited knowledge about specific stakeholders resulting from a lack of training and organizational culture. The planners rely on themselves rather than attempting to acquire knowledge from stakeholders to gain greater understanding of the problems and the contexts that they deal with.

Piyanit, Onoparatvibool, policy and plan analyst, expert level, the NESDB, who has been with NESDB for almost 20 years described herself in her early days as a “frog in a coconut.” Piyanit Onoparatvibool was given an opportunity to conduct a joint study with SCG Public Company Limited on petrochemical industry development. Piyanit Onoparatvibool stated that “it was an enlightening experience. People outside NESDB are so smart.” (personal communication, August 5, 2019) With her limited knowledge she struggled but tried to learn more about the industry by herself. Onoparatvibool also shared that after the completion of her doctoral education in the Netherlands, she wanted to work with the line ministries as equal partners. Onoparatvibool shared her experience with Thai kitchen with the world project or in Thai Krua Thai Soo Krua Lok, in which a numbers of line ministries are involved. It turned out that she was well accepted among her counterparts and was able to solve several issues, such as problems with definitions, the definition of terms, issues surrounding the Kitchen to the World, and the conceptualization of policy. Piyanit Onoparatvibool stated the following concerning this:

So, what I did is I pick some people and extract knowledge from them. Their knowledge might be fragmented. But it’s okay. At least they know more in depth of that issue more than me. I tried to understand the issue and build concept that links everything to create the whole picture. It’s conceptualization from what is fragmented. This skill NESDB staffs don’t have it. (personal communication, August 5, 2019)

From the present author’s experience proactive officials such as Onoparatvibool are difficult to find. Dealing with sectoral ministries requires commitment, energy, and the ability to understand the concerned theory and knowledge and the value chain of the industry. Onoparatvibool sees the role of the NESDB as a coordinator. Ultimately the project was submitted to the BoB but it was not allocated an appropriate budget as planned. Onoparatvibool’s work was

recognized by the BoB director, who was interviewed for the present research. It was regarded as an example of translating strategic agenda into action with a clear target and indicator for budget allocation, as indicated by Petcharat Serephanpanich, Director of Budget Strategy Official:

I remember we had the Krua Thai Soo Krua Lok project. This in line with the government policy. If the government organizations use it as framework, they will propose projects that are consistent with what we concentrate and answer target, indicators and the five-year plan. (personal communication, August 5, 2019)

Onoparatvibool's way of work is not a quality frequently found among the NESDB planning officials. It is her characteristic rather than the generic trait of the staff.

6.3.3.5 Open and transparent atmosphere

The NESDB may have the power to summon government departments, provinces, and any type of government agency, but the authenticity in taking their input into account is low. From the Eighth to the Tenth NESDP, the NESDB has emphasized the importance of participatory planning. A series of events are held in Bangkok and big cities in four regions of the country in fancy hotels filled with hundreds of people. The meetings are usually proceeded in a formal manner. A great amount of time is dedicated to the opening ceremony, the presentation of a situation analysis and an overview of the draft plan followed by questions and comments from the participants (NESDB, 2011). The afternoon session is either a workshop or a focus group discussion broadly organized around economic, social, and natural resource and environment issues and groups or according to the strategy of the plan. Thammarak Karnpisith stated the following: "In the past, did NESDB really empower and take into account bottom up inputs? Or we just organize meetings and workshops just to formalize and justify our idea of participatory planning." (personal communication, February 21, 2019)

The NESDB consultation has a limitation because the agency dominates the content of the discussion. Everything is already prepared before a

consultation. Stakeholders are included simply to legitimize the planning following the bottom-up approach. The NESDB, in fact, has no plan for extracting the obtained data, or of an analysis or follow-up system (personal communication, May 18, 2019). The NESDB public consultation remains, in fact, top down. Given the weak institutional arrangement, legitimize absence of stakeholder management policy, inattention to stakeholders and limited interaction skills, which will be discussed further, the NESDB does not carry out public consultation in an open and transparent manner, as Marayart Samootsakorn indicated:

Stakeholders should be the people who are really affected by the problem. But NESDB, we always work backward and then go down to the lower level. Moreover, we don't have consultation. We don't share data or our thoughts to verify whether what we thought and found are right. Even though we share some information, we have never included it. We exclude it....We lack a two-way communication. (personal communication, May 18, 2019)

Concerning this issue, Piyanit Onoparatvibool stated the following:

Do you notice that NESDB people they spend a lot of time writing paper? They do the study by themselves. They pull data from various source and then when the deadline comes. They end up writing something up. If they want government organizations to acknowledge their papers, they will just organize a meeting to make sure they are aware of the work. They ask questions, for example, anything that you would like to modify or add up?, Do you agree with my proposal. If yes, then I will propose to the higher level. Sometimes, the modifications proposed by the government organizations are so minor. NESDB rectifies as requested. This is the process of our "plan development. (personal communication, May 18, 2019).

Further, triangulation was carried out. Content analysis was performed by using the NESDB website search engine to investigate stakeholder management

and the relationship with legal and government procedures. The term “rub fang kwam kid hen” or consultation was used. There were 76 results generated from 2010-2019. The results were filtered using the Wordlist function in the Atlas.ti. in order to organize the data. The words that had high frequency were “wealthy” and “quality society.” This implies that public consultation was used with both economic and social matters. Then the results from the wordlist analysis were exported to Excel in order to examine whether there were any words related to process, legislation, formality or institution. The further analysis revealed that three out of eight words were cabinet, the NESDB annual conference, and the Social Reform Committee, which reflected stakeholder management as a matter of formality.

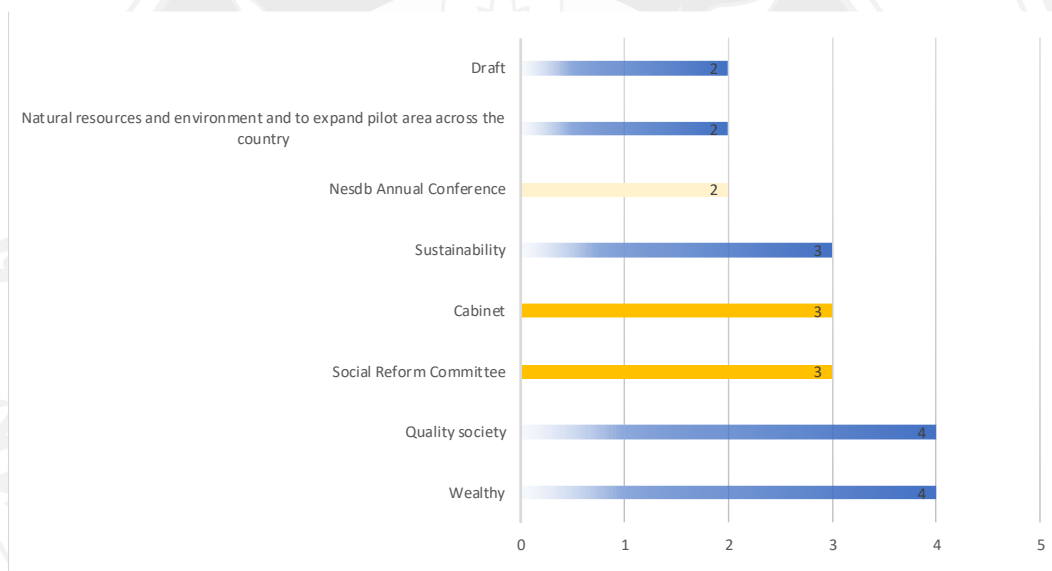


Figure 6.5 Stakeholder Management Word List Analysis

Source: Adapted from NESDB, 2019.

Based on the analysis it is contended that the bottom line of the deficiency of the skills of the NESDB planning officials in handling stakeholders is not merely because of lack of a weak legal and organizational framework. The bottom line is that the NESDB cannot find a balance between market ideology and central planning, resulting in poor stakeholder management and the malfunction of the national plan accordingly. A discussion of this is below.

1) Ideological trap between market ideology and central planning

Originally the central plan was the allocation of resource and a manual for development program management. The NESDP needs a new operational definition. The role of the plan and planning activities must be redefined to let the market work, where it must be able to identify broad government intervention to fix the market and government failure. Karnpisith, Former Policy and Plan Analyst, Senior Advisory Level, stated that the “NESDB should understand the idea of small state, big society.”

This ideology trap is supported by Jan Rieländer, Head of the Multi- Dimensional Country Review, the OECD, where the NESDP has to find its place in the market economy where the role of the state is for the most part responsible for fixing market failure. In the past the NESDP may have been a pivotal instrument that everybody accepted. Today the question is “what is the role of the NESDP and the NESDB in relation to the plan?” if the tradition continues. Rieländer stated the following in this connection:

...you have that planning to certain extent is odd of the idea of market economy. The idea of market economy is innovation comes from the market and you have to give actors freedom, and they come up with ideas. The general consensus is that planned economies performed worse than free market economy. So, the whole idea of planning becomes challenging because then to do planning really means you have to do a plan by fostering, by mobilizing the innovative potentials. So, it's either try to manipulate it or you completely change your thinking about what it means to make a plan and you have to harness the power of the market of the ideas. And then you want to become the generator of ideas and help to turn them into the projects.

2) Mindset change: manipulator or facilitator

The way in which the consultation process is undertaken does not reinforce co-ownership. If the NESDB wants to be a manipulator, the same

process may continue. Nevertheless, if the NESDB sees its role as a facilitator, stakeholder activities must be based on a mutual learning process. Planning officials must be equipped with soft skills and knowledge about the issues that they are dealing with. However, the NESDB has failed to engage itself in the specific contexts of public problems, particularly in provinces and local administrative areas. Virat Tansakul, Head of Phang Nga Provincial Office stated the following in this connection: “I think it is a bit overrated to say that project details and bidding are scrutinized. It is rather coordination of NESDB Regional Office, BoB regional office...to maintain the manner they don’t comment.” Stakeholder management is an art. It requires psychological approach to engage people to think with us, to think alike, to agree with our recommendations and to be our policy advocacy (Marayart Samootsakorn, personal communication, May 18, 2019). That is the meaning of development planning. Thammarak Karnpisith stated the following in terms of the concept of the facilitator:

...people need facilitator....Rather it is mutual learning process of plan formulation from bottom up. It is the paradigm shift and also work process holistically. Today, there are not only NESDB, BoB and OCSC. There are interest groups, stakeholders and actors at different tiers of administration. The problem of NESDB is how does NESDB encourage and make these people to work together...NESDB when do planning needs to have mindset that the national plan and each of its strategy is not owned by an (NESDB) office that write the strategy, whereas Budget Strategy is of BOB. (personal communication, February 21, 2019)

To summarize, the NESDB is aware that stakeholder management is a critical element of planning but not of implementation; the planning officials are not equipped with appropriate skills. As a result, the public consultation method is conventional and fundamentally provides legitimacy of the plan and the NESDB policy recommendations. Most importantly, the NESDB has to rethink the

function of the five-year plan in the market economy and how to effectively connect it with the budget.

6.3.4 Strategic Planning

There were three NESDB strategic plans or in Thai “Phan Kon la Yut,” found at the NESDB website:

- 1) NESDB strategic Plan B.E. 2547-2550 (2004-2007)
- 2) NESDB strategic Plan B.E. 2551-2555 (2008-2012)
- 3) NESDB strategic Plan B.E. 2556-2560 (2013-2017)

The role of the NESDB Strategic Plan is compliance with the Royal Decree on Criteria and Procedures for Good Governance B.E. 2546 (2003), which means that a government ministry or department must have a strategic plan that serves the GAP and four-year action plan.

Theoretically it is a supporting document for the budget proposed to the BoB to demonstrate the strategic alignment of the projects and the organization’s mission and strategy. Even though the technique used for the NESDB strategic planning is relatively straightforward, it connects to some other parts of the organization, including human resource development plans and knowledge management. The commitment of high-level officials to strategic planning is supplementary work rather than a tool for organizational management and development. A discussion follows.

6.3.4.1 Use of formal strategic planning and methodology such as SWOT or scenario analysis

The following is a discussion of the techniques that were used mainly for the analysis of the internal and external environment that might affect the organization, which gradually change from time to time.

NESDB strategic plan 2004-2007

The 1997 Constitution, the Royal Decree on the Criteria and Procedures for Good Governance B.E. 2546 (2003) and the GAP, were explained as key factors affecting the NESDB’s operation in general and in national planning, particularly an increase in public participation. The impact of changing the external environment in the NESDB was explained at length using a scenario analysis. The underlying benefit of the scenario analysis was the insights gained from different

stakeholders to produce the most appropriate solution where such processes were lacking in the analysis. Thus, the NESDB Strategic Plan 2004-2007 was developed using a limited analysis.

NESDB strategic plan 2008-2012

The method for the strategic planning was more systematic. The plan had gone through the process of workshops and analyses. The strategic planning formulation technique and process are as follows. First the NESDB strategic plan formulation team was set up. Members included executive directors or their representatives. The Working Team was chaired by Arkhom Termpittayapaisit, the then former secretary-general of the Administrative Development Unit or in Thai “kor por ror noi,” was the secretariat. The team was joined by officers that hold an advisory post, and policy and plan analysts at the senior professional level. Janthawan Wantanaphong, a senior policy and plan analyst professional, level joined the team as a mentor of young staff that represented Future 1—a group of new officials—and acted as assistant to the secretariat. Second, the two sub-teams were formed where the members were the executive directors from different offices in the NESDB. The first sub-team was the SWOT analysis team that was tasked with exploring issues for the SWOT analysis and developing a questionnaire to collect ideas from the executive directors in order to produce the SWOT analysis and a possible organization vision. The SWOT analysis showed that political and social development affected the NESDB’s role and operation. The change in central and provincial administration and budget reform was pointed out as a cause for the BoB and the NESDB working closely in strategic budget allocation and spending efficiency evaluation. However, strengths and weaknesses were not clearly explained. Opportunities and threats were described briefly. Opportunities were, for instance, the higher capacity of line ministries in planning. Threats were, for instance, technological advancement, which is more difficult for planning to determine the future and the impact of fragmentation in policy and strategy formulation among government organizations and the poor monitoring and evaluation system in relation to national development. The second sub-team was tasked with thinking about the organization’s vision and strategy. A strategic planning workshop was held facilitated by a strategic planning expert. The purpose was to understand the result of the SWOT analysis and to decide on the

organization's priorities. The workshop was supposed to be participated in by the executive directors, but subordinates were assigned to join the workshop. The synthesis of the results was proposed to the strategic plan formulation team for verification and modification if any and approval accordingly. Kamonrat Chulasukont—a former plan policy and plan analyst at the senior professional level who worked for the Administrative development unit—stated that “the second strategic plan is learning by process through strategic planning training.” (personal communication, February 5, 2019)

NESDB's strategic plan 2013-2017

The techniques that were used for the formulation of the strategic plan were the SWOT analysis and PESTLE. The SWOT analysis was used for internal factor analysis. McKinsey's 7S framework, including strategy, structure, system, style, skill, staff, and shared values was employed to uncover the strengths and weakness of the organization's efficiency. The PESTLE analysis included political, economic, social, technological, legal, and environmental issues for the analysis of the organization's external context and the possible impact on the organization (Office of the National Economic and Social Development Board, 2013). The strategic plan formulation process is as follows.

- 1) A strategic plan development working team was formed in 2012 where Termittayapaisith, the secretary-general, was the chief advisor. A deputy secretary-general, who was in charge of administrative matters, such as human resource management, and the Administrative Development Unit, and all deputy secretary-generals were the advisors. Members were the executive directors or expert-level officers. The Administrative Development Unit was the secretariat. The team formulated and communicated the plan to ensure the accomplishment of the plan. The team was also responsible for the monitoring and evaluation and review of the plan and review, if needed.

- 2) Formulation of the Plan was done through three processes:

- (1) Opinion survey with the deputy secretary generals
- (2) Brainstorming on opinions and advice from the management
- (3) Synthesis of the data

3) Public hearing within the NESDB. The draft strategic plan was presented to the NESDB community.

4) Modification of the draft plan

5) Presentation the draft plan to the high-level management

6) Communication of the strategic plan to the NESDB community

6.3.4.2 Time that the chief executive spent on the strategic planning process as a facilitator, giving advice on implementation monitoring, and on evaluating and updating the strategic plan

The first NESDB strategic plan was mandated by Amphon Kittiampon—the former secretary general. However, the person that actually carried out the strategic plan formulation was Termpittayapaisith, the then deputy secretary general. For the second plan Kittiampon decided to include the young intake group or so-called “Future 1” as a working team in order to gain fresh perspectives. Nonetheless, Kittiampon did not take part in the formulation process, such as the workshop. His advice on the substance of the plan was done through formal channels such as management meetings. As a result, the first strategic plan was to comply with the Royal Decree and the planning landscape at that time. The process of strategic planning was not organic. Metta Rasrichan, who was in the Administrative Development Unit and helped prepare the second and third strategic plans, stated that “[e]ven though Kittiampon was not be able to chair the meeting or open meetings and trainings, he always assigned Arkhom to come and make opening speech.” However, making an opening speech and providing advice in a formal platform were more of a “touch up” rather than a meaningful engagement in the strategic planning activities where insight and high-level perspectives are shared as inputs for the plan. For this reason, it is concluded that the secretary-general as the chief executive of the NESDB does not give importance to implementation monitoring, or evaluating and updating the strategic plan. No participant mentioned a revision or modification of the strategic plan. The NESDB Strategic Plan is not a “living” document.

6.3.4.3 Upward and downward communication of chief executive within the organization hierarchy and various operational areas concerning the external environment and the organization’s aspirations

The strategic plan and the vision and mission of the NESDB were clear to the participants in this study. The vision of the NESDB is to be the strategic unit, and an intelligent unit and knowledge organization. It was set by Kittiampon, and was communicated using traditional channels but not by the secretary general himself. All three NESDB Strategic Plans are available on the intranet. On the other hand, the organization's vision, culture, and values are available for the public in the "about NESDB" section on www.nesdb.go.th. Janthawan Wantanaphong stated that "the vision and mission were from Kittiampon. When he took the position, he set it as the leader of the organization that NESDB. He envisioned NESDB should be like this and so the culture." Rasrichan said the following regarding the communication channels that are available:

In the past there were not many communication channels available. In the extreme case we made the strategic plans available on the NESDB website. We publicized them in the NESDB Saphankhao journal, and also in "training news or in tiny workshop sections". It is one of Public Sector Management Quality Award criteria that we have to communicate it. We also circulated memos to all offices in NESDB but if you ask whether they can remember, they probably do not. (personal communication, June 14, 2019)

Two young NESDB officers also confirmed that they were aware of the vision and mission of the organization. On the other hand, one of them who is responsible for the budget preparation of an office that is responsible for the annual budget preparation of the International Strategy and Coordination Office realized that the strategic plan is merely a supporting document for budget request, as Submuang stated in the following:

NESDB has the strategic plan that in theory it is linked to annual projects or so called "strategy map." But in reality, the linkage is lacking...We can demonstrate which project links to a NESDB strategy and the NESDP accordingly...For real I do not think anyone would read it. NESDB lacks process to answer and drive the strategy. (personal communication, June 5, 2019)

While the NESDB's vision is clearly communicated in a traditional manner, the junior staff questioned how strategically the operation influenced the other parts of the organization, particularly human resource development. Submuang said that "[t]here is a strategic plan document that says that the NESDB is a strategic and intelligence unit that everyone has seen...But it comes to a question that whether or not we have training that is tailored to our specific needs."

6.3.4.4 The middle manager's participation in the strategic planning process

In the context of this study the middle manager is referred to as the executive director who is the head of the offices in the NESDB. Middle managers are seen by Kittiampon as a link between high-level officers and junior staff members and provide information about operational problems and insights for vision and strategy formulation. They are regarded as the persons that implement the strategy through their work. As a result, the executive directors are appointed as members of the working team, as expected. Metta Rasrichan stated the following in terms of middle managers:

Kittiampon was very clear that he wanted middle managers to support junior staffs. They have role in screening their inputs... We have put the middle managers in every process because they are the ones who translate and communicate organization policy to junior staffs. On another way round, they filtered demand of the young staffs and can share what already exist and why it does not work....We were able to include all good middle managers because they knew that the management was serious about strategic planning. For the junior staffs when they got order from their superior, they got themselves ready to do anything. Everybody in NESDB knew that we were working on strategic plan. They could feel the atmosphere. (personal communication, June 2, 2019)

Janthawan Wantanaphong stated the following concerning the function of middle managers:

Because we (NESDB Strategic plan formulation team) knew that they (middle managers) are the ones who would drive the work. They have to implement the strategy through their works. If they do not know about the strategic plan once it is completed, they would not feel like they are part of execution and drive all the works. In addition, they can call on their team to help identifying internal problems and operational factors. If we took operational level staff as member of the team, we would not get the complete information. It is the process that we can retrieve inputs from the operational level. (personal communication, June 14, 2019)

6.3.4.5 Identification of implementing responsibilities and necessary resources, including the budget allocated to particular programs, projects, or activities that advance the strategic agenda as well as internal monitoring and performance evaluation or the external feedback and reward system

The implementation of the strategic plan is discussed in the second and third strategic plan. They were only a one-page statement using the same wording. No resource allocation or related functions were explained, only human resource development that to some extent is linked to it (Rasrichan, 2019). This is because, in fact, the strategic plan is just compliance with the OPDC. Wantanaphong stated that “[i]n fact, we formulate the strategic plan is just to have a strategic plan. This is reality.” Chulasukont, of the Administrative Development Unit, NESDB stated the following concerning the management where she worked:

Our management did not want anything big. It is rather to have that strategic process but not to have a real strategy to be implemented and part of organization improvement. It is for budgetary process and to answer OPDC that we have already done it...Although we have a strategy for human resource development and so does our Human Resource Development Plan that seem to be consistent and supportive to the strategy but I wonder the extent of alignment of human resource allocation...The strategic plans talk about implementation but we do not do what it said to do so...I do not know if we would still have such strategic plan if is not obliged by OPDC.

Regarding monitoring and performance evaluation there is no specific procedure for conducting a mid-term review. An assessment of the previous plan may be performed when the drafting of the new strategic plan begins. The First NESDB Strategic Plan was revised by Chula Unisearch, from Chulalongkorn University. The findings were intended to be used as input for the preparation of the second strategic Plan. The third strategic plan, the questionnaires were employed by the Administrative Development Unit as part of the preliminary collection of ideas for planning.

To sum up, the NESDB strategic planning was immensely influenced by the OPDC's attempt to develop an integrated system for national planning, budgeting, and organizational strategic planning and performance management. The NESDB invested time and resources in the strategic planning. However, it could not enhance the NESDB's organizational capacity. Conversely, the strategic plan may be linked to the performance evaluation system overseen by the OPDC. It does not help to improve the national planning or the implementation of the national plan.

6.3.5 Knowledge Management

6.3.5.1 Existence of the organization's KM Plan

Having knowledge management has become commonplace for organizations striving to be a learning organization. This is also the case of the NESDB where disciplinary-based issues are identified along with knowledge management activities. Nonetheless, knowledge management is implemented in terms of compliance with the Royal Decree on Criteria and Procedures for Good Governance B.E. 2546 (2003). The Royal Decree section 11 states that government organizations have the duty to develop knowledge within the organization in order to be a learning organization and to enhance the capability of their officials to be visionary thinkers and efficiency oriented.

The NESDB officially embarked on the KM journey in 2004 as part of organizational transformation. Prior to the formulation of the first knowledge management plan in 2003, the NESDB underwent a self-review from being a central planning agency to a strategic planning one. The NESDB was assigned by prime minister Thaksin to take the role leading five national agenda, including national

competitiveness development, logistics development, poverty and redistribution, social capital development, and sustainable development. Hence, the NESDB identified seven new organizational strategies that encompass the implementation of policy issues and area-based development including the following:

- 1) Planning for development
- 2) National competitiveness development for sustainability
- 3) Social capital development and poverty reduction
- 4) Area-based and regional development
- 5) Data and economic indicator system development
- 6) Monitoring and evaluation
- 7) Organizational management for new learning organization and new high-performance organization

The transformation strategies were to support the implementation of new national economic restructuring framework (Office of the National Economic and Social Development Board, 2006b). In 2004, the first NESDB knowledge management plan 2005 was developed by the joint working team between the Administrative Development Unit and the Human Resource Development Division. The working team attempted to systematically identify the area of knowledge that should be invested in. Key outputs from the 2004 were the Knowledge Management Framework and KPI for sustainable development for knowledge storing, knowledge engineering and sharing knowledge, a three-year career path project and a Three-year HRD Plan, IT training by the NESDB IT Center and a Human Resource Competency Development Plan that focuses on specific core competency development of the staff.

In 2005 new KM Team was chaired by Termpittayapaisith as the Chief Knowledge Officer. Suriyon Thunkijjanukij, who was then Head of Logistics Unit, the then senior professional level in the Infrastructure Investment Office, headed the team. Key outputs were the four-year Knowledge Management Development Plan. The plan centered around the HRD Plan, and the IT Training Plan. Logistic strategy was chosen as the pilot project to be implemented in 2006. The knowledge management plan focused on developing the system of knowledge management gearing NESDB to be the strategic consulting unit working like a private consultant. A community of practice was central to knowledge repository building. HRD training

focuses on basic skills for different levels of officers. Specialized training was provided to the National Account office to enhance the capacity to develop data management and analysis. IT training focuses on basic knowledge regarding Windows and program usage.

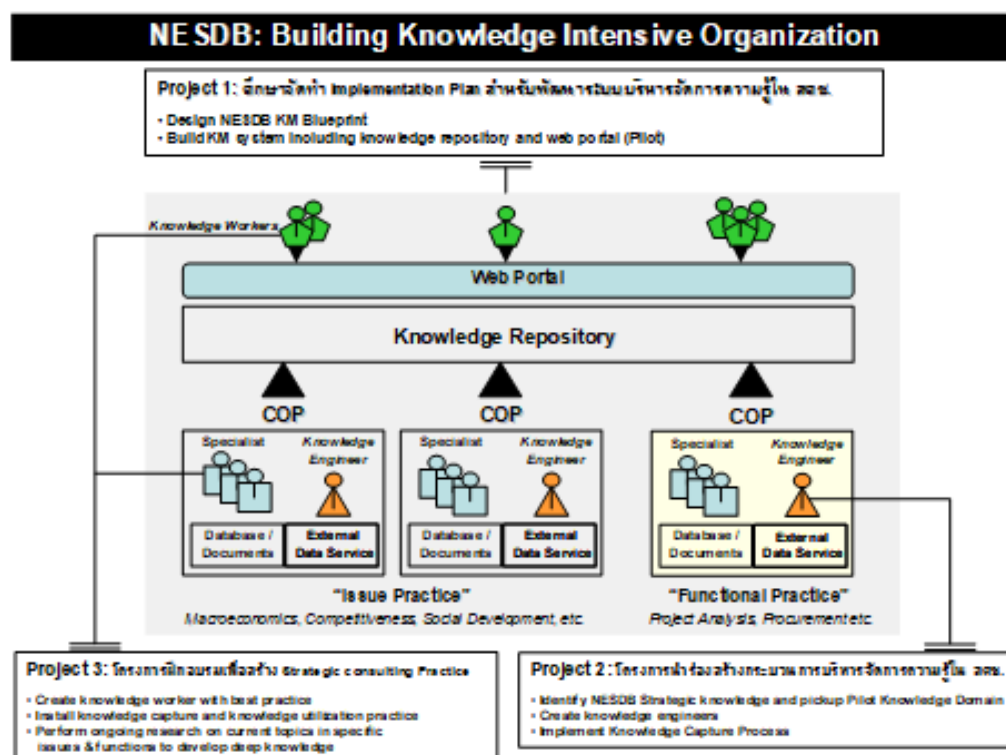


Figure 6.6 NESDB Knowledge Management Plan 2005

Source: NESDB, 2005.

In 2006, the NESDB took a further step through the analysis of the past KM results which lacked top management leadership disintegration with the organizational culture, human resource management, and structure and operation process, and the absence of fulltime formalized unit charting knowledge management, resulting in the halt of activities being identified (Office of the National Economic and Social Development Board, 2006b). Three steps of knowledge management system development including system design, developing of a community of practice, knowledge market establishment, and inter-department synergies, were identified.

NESDB knowledge management 2007 was built upon the Tenth NESDP, in which the Sufficiency Economy Philosophy was the guiding principle.

Two areas of knowledge were identified for knowledge management according to “kum rub rong patibat ratchakarn B.E.2550”—that the degree of success in knowledge management is measured by the existence of two knowledge management areas, where the Sufficiency Economy Philosophy is compulsory. Two topics were chosen from the two strategies of the Tenth NESDP: 1) strategy for the development of human quality toward a knowledge-based and learning society, in which implementing the Sufficiency Economy: the case of community and society were identified as the areas of knowledge. The outputs from knowledge management were the collection and dissemination of the King Bhumibol Adulyadej’s thoughts and the transformation of the existing sufficiency economy team into the Public Policy Office and 2) strategy to reform the structure of the economy for balance and sustainability, where the Gross Provincial Product (GPP) calculation was identified as the area of knowledge as it is the foundation for improving the capacity of provinces to produce accurate economic data and analysis. Eight separate teams conducted training across the country’s GPP, with related data such as the Consumer Perception Index and training materials being published in the NESDB website.

The NESDB knowledge management plan 2008 was a replication of the 2007 plan. The areas of knowledge were implementing the Sufficiency Economy: the case of community and society, and Gross Provincial Product (GPP) calculation. There were no details of knowledge management action or activity available.

From 2009 onward there was no evidence of a knowledge management plan. However, in 2011 knowledge management was organized in the form of seminars and workshops by the NESDB staff members that had just completed master or doctoral degrees and those that had undergone overseas training.

In light of this knowledge management practice, the early years were built upon the basic principle of KM where ICT infrastructure investment played a critical part with a link to human resource development. However, it was rather a patchwork of the administrative development unit compelled by the OPDC rather than an organic process. The chosen body of knowledge, namely logistics, was also by chance. Details will be discussed further.

6.3.5.2 Methodological Integration

The creation and execution of a knowledge management strategy using an integrative model such as the EIDA or the Exploration, Innovation, Dissemination, and Automation process were the principles of the methodological integration. Exploration is the scanning and deeper evaluation of the organization's explicit knowledge and implicit knowledge representing knowledge innovation processes, such as employee profiles or a concrete product-or process-related document. It was found that the exploration of knowledge was very limited. Since 2004 the focus has been placed on storing and transmitting explicit knowledge rather than the exploration of the profoundly embedded knowledge of individuals. There was no evidence of employee profile storing or analysis in relation to the selected knowledge management areas. Nonetheless, from 2011 onward the Administrative Development Unit organized knowledge management seminar centers around the staff training background that demonstrated an attempt to search for deeper knowledge objects based on staff profile.

Innovation is the active support for identifying knowledge-intensive and knowledge-flows and knowledge transformation practices such as community building and mentoring after action reviews and storytelling. It was found that community building and mentoring exist in the form of the community of practice but in a limited fashion. Training and seminars were common practice. Mentoring has been implemented but not as part of knowledge management. It was carried out by the Human Resource Division only for the new intakes in order to evaluate their performance during the probation period. The present author's experience since she was recruited to the NESDB in 2011 indicated that her mentor was not the plan of the organization. Mentoring relies greatly on passion, the compassion of the mentor, and intensive communication between the seniors and the juniors—it is believed that what the NESDB has been doing has nothing to do with the mentoring system, which could contribute to knowledge management or becoming a learning organization. Ratthasapa Submuang, policy and plan analyst at the professional level, criticized NESDB mentoring as follows.

the current mentor system that is a compulsory of human resource management for the new staffs. It is really not a mentoring system. It looks like NESDB has but it is not. Think about when they new staffs are put in the unit, there is no one to teach or coach them because they are busy. They have to trial and error which they would end up making mistakes. (personal communication, March 1, 2019)

Suriyon Thunkijjanukij further stated the following.

I think there is one pressure is people have less time to talk because of the mounting works. In the past people have time to mingle and to tell story which socialization process is to transfer tacit knowledge. Then people when have less time, they have to read. (personal communication, April 20, 2019)

The dissemination of existing implicit knowledge by using a human-oriented approach through cultural events, electronic conferencing, or open-plan offices requires a less hierarchical organizational environment. Even though the institutional arrangement of the NESDB was not robust in terms of planning, such socialization events in the NESDB were hardly found. The closest may be knowledge management seminars where the staff is gathered to listen to senior colleagues sharing their education and training experience with some refreshments provided. That is not a socialization event in the opinion of the present author.

Automation is the supporting system that helps to streamline and consolidate the various types of existing explicit knowledge. However, in this case it was intense in terms of the provision of ICT infrastructure. Relevant data and information of the GPP and logistics, such as presentation, training material, and statistical data were stored and available on the NESDB website and on the intranet though. There was neither integration of knowledge from other disciplines nor an interactive system that allows users to further custom knowledge for their own purposes.

6.3.5.3 Cultural Integration

Cultural integration, is, for instance, the community of practice, the godparent scheme, and job rotation. It requires a great deal of passion, commitment, and competency to share stories and must be seen as a critical way to improve one's performance. The community of practice, and training and seminars, however, were the only means of knowledge management practice mentioned. The community of practice was used in a limited way in the identified areas of knowledge management, namely the GPP and logistics.

The NESDB knowledge management plan 2006 states that issue masters are a means to create a community of practice in each part of the organization in order to identify core knowledge and its utilization. Market establishment is using incentives to encourage knowledge sharing within or between teams. Inter-department synergy is critical to the creation of the new organizational culture.

The knowledge management of logistics, which was implemented in 2005, is an example of the cultural integration that took place. However, it was formed and implemented within Suriyon Thunkijjanukij's team for work improvement not because of the NESDB initiation. Knowledge management activities include, for instance, the identification of knowledge gaps, sources of knowledge, core and specialized knowledge and the dissemination of information on the NESDB website (Office of the National Economic and Social Development Board, 2006a). A community of practice took place once a month by those that represented the NESDB in seminars and training.

As such it is consider that communities of practice do not exist organization wide. They are merely groups or a collegial network of colleagues that want to improve their way of work and are not influenced by the knowledge management strategy per se. Suriyon Thunkijjanukij stated the following: "I think we need KM system that is not based on data base which is community of practice. But this thing is never practiced because people do not know. KM we think and do it like a fashion." (personal communication, April 20, 2019)

In addition, there was no formalization of the godparent scheme in the NESDB. In the past it may have existed. It was organic, as the context of the NESDB

was not so complex. The senior staff had more time to interact and pass on knowledge and thinking by via informal discussion.

6.3.5.4 Organizational Integration

Given that knowledge management practice thinking indicates that knowledge management was not seen as an organizational improvement instrument but as an obligation, it can hardly cause a change in the organization's structure. The secretariat to the knowledge management working team has never been changed. Even though the Administrative Development Unit is under the secretary-general's office, which has convening power to propose organizational structure modification or to promote redefining job specifications, such a thing has never happened.

6.3.5.5 Procedural Integration

Procedural integration is the codification of the organization's key processes and the optimization of knowledge in order to audit and accelerate the organization's processes and the removal of redundant activities. As mentioned, the selected area of knowledge is based on OPDC obligation, and it is easy to handle knowledge objects, such as logistics. As a result, knowledge management was not immersed into the organization's procedures, which can enhance the organization's efficiency and productivity. Even though a great deal of investment has been put into the ICT, information sharing remains problematic. Ampassacha Rakkhumkaeo stated that "[d]ata and information sharing within the NESDB is not so good."

To summarize, in recent years, knowledge management is more of an obligation rather than an instrument for organizational transformation and is not culturally integrated. Effective knowledge management of logistics was unique and was a result of the leadership of middle managers such as Thunkijjanukij.

6.3.6 Writing

6.3.6.1 Discussing manuscript ideas on panels and in personal correspondence

Both participants from the Ministry of Interior indicated that during the regional consultation events for the formulation of the NESDP, a review of past development and perspectives toward the potential of the region, internal and the external context and conceptual framework and draft strategies of the upcoming

NESDP are presented by the NESDB executives. Even though opportunities to present provincial and the private sector's potential and needs are given, it depends on the NESDB whether to take their input into account. The process is conventional and done through formal communication channels.

6.3.6.2 Ability to describe and visualize what is found from site visits to the political decision-makers

The NESDB may be good at writing policy documents but in fact it may not be able to visualize what the beneficiaries will gain if the plan becomes implemented. As a result, this study found that the ability of the planning agency to influence the politicians and to help put local needs on the table was questioned, as Rieländer indicated.

I was impressed. Lots of suggestions that we made are there (the Twelfth NESDP). It's a credible document. The problem of the document is you have to do it and you do it well and it's good. So, I think that's the basis in term of skill but I don't know how much about the actual impact.

Or it could be that what is written by the NESDB is shaped by analysis that does not present a causal analysis that leads to generic policy recommendations, as Onoparatvibool indicated in the following.

The NESDB may have ability to describe things in detail that readers may be convinced that what is proposed has been under extensively review and analysis. But it is reporting. We have only reporting skill and writing that use beautiful language. But it is not a communication skill and not a presentation skill.

In order to investigate this capacity, it is necessary to view politicians according to two groups. One is the members of parliament and the other is local politicians. For the members of parliament, the NESDB has lost the image of a think tank. It was unable to prove that its capacity, particularly in terms of research and providing a clear strategy to the government, is valid in today's national development context. Mesincee stated that "[t]he implementation of policies must therefore be based on comprehensive data and systematic analysis. Driving the national agenda

clear and tangible strategy are needed. NESDB must emphasize on research that has big impact on society.” Although the NESDB makes site visits to speak with the elected members of provincial and local administrative organizations, and local communities and local villages to communicate about the plan, poor stakeholder management leads to a failure to engage them in the implementation. The NESDP remains a policy document that is “cooked up” by the central executive agency. A Policy and Plan Analyst, expert level, Ministry of Interior stated the following regarding this.

If it is the case of municipalities, they may express their opinion if they have a strength in some area that they feel that they could get budget but for local administration like local administrative organizations they feel that it is very national. (personal communication, October 8, 2019)

6.3.6.3 Investment in the Writing Skill

The essential aspect of writing discussed in this study is the ability to communicate the plan to different groups and stakeholders to build and strengthen the implementation of the plan. However, from 2002 to 2018 there was no writing course in that sense provided for the NESDB staff. What the NESDB has offered is official document writing, aiming to provide the fundamental skill of forming the structure of memos mainly for government organizations and the cabinet. The junior staff also felt that the NESDB training in critical thinking and project management and negotiation for international cooperation are missing, as Submuang stated.

The International Coordination and Strategy Office is responsible for implementing and monitoring international cooperation projects but it comes to a question that whether or not we have training that tailor to specific to our needs. We don’t have required skillset in terms of thinking and writing

6.3.6.4 Using simplified language and vocabulary that are common to the audience in a consultative event

The NESDB emphasized on several occasions the commitment to include an array of stakeholders. Nonetheless, from 2002 to 2018, only three NESDPs that were made for the general public were published—namely, Ninth Plan, Eleventh Plan and Twelfth Plan. The intent of the People’s Edition of Ninth Plan was to create synergy of all sectors for the implementation of the NESDP. The booklet was featured with cartoons, drawings, and a diagram published in two colors: blue and black (Office of the National Economic and Social Development Board, 2002b). The objective of the Community’s Edition of Eleventh Plan was to create local community awareness and understanding of the plan and to able to formulate the local administrative and community plans coherently. Thus, the Community’s Edition of Eleventh Plan was entitled “the Eleventh plan...toward happy society with resilience”. Cartoons and colorful pictures were used to make the booklet presentable. The People’s Edition of Twelfth Plan simplified the plan with the presentation of the benefits of the plan for different groups such as farmers, youths, aging people, and people with disabilities (Office of the National Economic and Social Development Board, 2018).

Marayart Samootsakorn contends that the NESDB does not see writing as a core competency because it is too busy building its strength in economics. On the other hand, the world is changing, and NESDB needs people with writing, communication, and research skills from various disciplines, as Sammotsakorn indicated in the following.

NESDB staffs do not have writing, communication and research skills ...Writing is very important for a policy and plan analyst. I would like to add that speaking is also important because communication and using verbal communication in different platforms and meetings and how to persuade people to be our advocate. (Marayart Samootsakorn, personal communication, May 18, 2019).

The failure to engage local government officers in discussion of the plan was also found. A Policy and Plan Analyst, expert level, Ministry of Interior stated as follows.

If it is the case of municipalities, they may express their opinion if they have a strength in some area that they feel that they could get budget but for local administration like local administrative organizations they feel that it is very national. There is some distance. They are not quite related. They are elected. So, it's not necessary to follow NESDP. They focus on their constituencies.

6.3.6.5 Reevaluation or Modification of Strategic Guidelines And Goals

Reevaluation or modification of strategic guidelines and goals shows that planning officers try to accommodate the concerns of the stakeholders. In this study none of the participants from the Ministry of Interior mentioned modification of the draft of the NESDP.

6.3.7 Interaction

Drawn mainly from the participants from the BoB and provincial office, who had direct contact with the NESDB staff and experience with NESDP formulation, it was found that the NESDB interaction capacity was absent in all indicators except the ability to adjust the language according to the targeted audience. The NESDB planning officials remained aloof from project analysis, budgeting, and implementation coordination. A discussion follows.

6.3.7.1 Ability to adjust the language according to the target audience

Even though there exists the ability to adjust the language according to the targeted audience, there is still a problem regarding the mindset of the NESDB staff members. The NESDB guides the national development direction whereas the agencies are the followers. Janthawan Wantanaphong stated that “we (NESDB) usually discuss with line agencies like how is this mission going and the line agency report the success.” (personal communication, June 14, 2019) Evaluation of project progress is the duty of the line agencies, not the NESDB. The NESDB was aware of the importance of language usage. The Ninth and Eleventh NESDP People's Editions

were published in order to enhance the understanding and adoption of the plans of the wider audience. Until today the People's Edition of the Twelfth NESDP and the 20-year national strategy of the Prayuth government were witnessed.

Below are the rest of the elements in interaction capacity which were not mentioned by any participants in this study. A discussion follows.

6.3.7.2 Understanding the context of interaction, relevant substance, and having about the problem

One participant from the BoB and two from the provinces stated that the NESDB does not sufficiently invest resources or time in implementation coordination despite provincial or area-based development approaches requiring working in detail with local stakeholders and actors. Onoparatvibool described the NESDB working style as "plan from the desk." Marayart further supports Piyanit's criticism. She stated that the "NESDB does not have any of these (research, writing and interaction) at all...Interaction is very important. It's multidisciplinary." A participant from the BoB considered that the NESDP is too broad while some of the plan's strategies provide limited details on specific directions, such as public administration and national security. The NESDB was criticized for having insufficient insight and for spending little time with implementers. A budget analyst, at the senior professional level in the Evaluation Office stated the following: "Public participation is what NESDB needs. NESDB do the planning. You cannot just talk around or walk around. You have to go and work in the field to collect comprehensive data." (personal communication, March 13, 2019)

6.3.7.3 Ability to identify concerns and to demonstrate sensitivity to the participants

The NESDB's four regional offices are in touch with the policy and plan analysis of provinces to discuss the provincial development plan and Provincial cluster plan, although they are handled by the OPDC as the secretariat to the Integrated Provincial Policy and Provincial Cluster Management Commission, in Thai kana kammakarn nayobai boriharn ngan changwat lae kloom changwat bab booranakarn. The NESDB regional offices are supposed to play a substantial role in the scrutinization of both plans, proposed projects, and desire outcomes, in order to ensure that they are in line with the NESDP. Frequent conversations and visits should

be made to ensure that every organization is “on the same page.” In fact, the NESDB distances itself from the provinces. Analyses and opinions are conserved. Pertaining to such a matter, the NESDB regional planning officers were seen as maintaining the status quo. This leads to technical capacity, particularly project assessment and methodology being questioned. Interaction with provincial officers could help with the allocation of a budget that is consistent with the NESDP. The reticence of staff undermines the coherence between the national and provincial plans and projects that should promote the realization of the NESDP’s goals. The low ability to demonstrate sensitivity to the participants may be influenced by the poor institutional arrangements for national planning and its machinery, which are separated from the provincial and provincial cluster plan formulation.

While this research was being conducted, the design thinking training was ongoing. The objective of the project was for the NESDB to have empathy for stakeholders. Issues such as SMEs and future of jobs were selected as pilot projects. The origin of the project was that the NESDB was in the middle of transformation to be a government and national think tank. The present author was engaged in several high and operational-level discussions. Thosaporn Sirisumhand, the secretary-general of the NESDB often emphasized the importance of the project as an exercise to move the NESDB from being solely a planner to being an implementer. Thunkijjanukij, who was the head of the design thinking project, reflected on the struggle of the NESDB officials to create effective interaction with sensitivity and empathy.

The old generation like me never feels struggle to go out and talk to people...the design thinking training is about understanding meanings. It needs experience in life and values. Junior staffs do not understand the value. So, they struggle. When people don’t want to talk to NESDB means they are frustrated with public sector. They look at NESDB as official. (personal communication, April 20, 2019)

6.3.7.4 Description and explanation of the process and timeline of following actions before and after hearing about concerns and needs

None of the participants mentioned that they had been informed about the process and timeline of following actions after participating in the plan formulation process. Neither provincial officers thought that there were any subsequent processes or matters to be followed up on after the regional consultation meetings. In fact, it was because the NESDB usually prepared the draft plan and strategy beforehand that they are presumably almost always done by the provincial officers. The concerns and needs of provinces, whether or not they are to be taken as input for the NESDP, depend on the NESDB's decisions. In this light it also demonstrates that the regional consultation is rather to validate the plan rather than a process to collect demands from the bottom as claimed since the Eighth NESDP. The head of the Phang nga Provincial office stated that "it is like the regional hearing events are for us to present our need and the potential of the province but it depends on NESDB to take our inputs and do the grouping."

6.3.7.5 The characteristics of planning officials being humble and reliable

It was found that the dearth of humbleness and reliability formed a major part of the mindset and the worldview toward the plan and budget. First, it was viewed that planning was the purview of the NESDB, but the annual budget strategy and budget act belong to the BoB, as Thammarak Karnpisith stated.

NESDB when do the planning needs to have mindset that the national plan and each of its strategy is not owned by any office in the NESDB that write the strategy or of the NESDB. Whereas budget strategy is of BOB. But the plan is of everyone in NESDB...The Plan must be co-ownership. It's the job of the NESDB to think about how to create ownership of the desired goals. (personal communication, February 21, 2019)

Second, nonchalance is a result of the perception of the staff that the NESDB is superior to the implementing agencies and the influence of the bureaucracy

within the office. Piyanit Onoparatvibool stated that the staff lacks humility, which causes the inability to build policy advocacy: “First, you have to respect them. You cannot go to them and act like you know everything...You cannot be arrogant...I have no “Hua khon” (position and rank). I don’t go as a director or deputy director-general.” (personal communication, August 5, 2019)

6.3.8 Research Design

Only the research design as an integral part of the development plan formulation, specifying how the data will be collected, analyzed, and managed and available to others, was found.

6.3.8.1 The research design is an integral part of the development plan formulation specifying how the data will be collected, analyzed, managed, and available to others.

It was found that there are two types of research related to planning. First, there is research for NESDP formulation. However, there was no clear indication that the research design must be a part of the process of plan preparation. Second is the thematic study of different offices in the NESDB, which are usually outsourced to private consultants. The objective of this type of research is often to fulfill knowledge gaps rather than for future planning. Details are as follows.

Research for the NESDP formulation was found as part of the Tenth and Eleventh NESDPs formulation. The Tenth NESDP was mainly about contextual analysis, and the national scenario and the vision in the next 20 years. The Eleventh NESDP research was systematically conducted by the Sasin Institute for Global Affairs or the SIGA under the Sasin Graduate Institute of Business Administration of Chulalongkorn University. The study cost 20 million baht, led by Suwit Mesincee, who was then the Director of the SIGA. The research covers different issues such as economics, society, and the environment, which were later converted to different NESDP strategies. Each strategy derived from reviews and workshops to identify issues that should be driven. NESDB closely oversaw the scope and substance of the studies. People from various sectors were invited to take part in the studies, for example, a study called “Global risk foresight and impacts on Thailand” using a

systematic research method, such as a real-time survey and scenario planning workshop. The delphi survey gathered experts' opinions. Participants from various sectors ranging from the government to academics, business persons, politicians, and NGO employees were included. Chanakod Chasidporn (personal communication, November 17, 2019), stated the following.

It (SIGA study) is very worth every penny. People complained a lot back then. But the value is there. Each division is the secretariat of each study. SIGA had a manager for each study. Each team hold workshop and identify issue that should be put into action. People and academic are part of the study. There were lots of meeting and people were so tired. But the study was so serious, and people were committed to it. It was very systematic.

Second, thematic study is fragmented and is planned a year in advance. It depends on whether the offices think that it is necessary to acquire knowledge on certain areas. The common practice is to hire private consultants to conduct research. The studies were, for example, the study of competency of the local administrative organization and the transfer of public services; the study of improving provincial and provincial cluster program/projects: case study of value added tourism in the central region; and the study of the social impact partnership model (Office of the National Economic and Social Development Board, 2017). One of the most systematic studies of the NESDB is Thailand's competitiveness development: macro study. During 2002, Thaksin announced that national competitiveness development is the national agenda following the launch of the Ninth NESDP in October 2001, where the national competitiveness enhancement was one of the plan's strategies. He then formed the National Competitiveness Development Committee and the Competitiveness Development Office in the NESDB. A six-month study was conducted in 2003 by a joint team of foreign experts on competitiveness, Michael E. Porter, and local Thai experts comprising the Sasin School and the NESDB staffs. Based on the evidence it was clear that research is not seen as an integral element of NESDP formulation. The most organized study was not the initiation of the NESDB but of the prime minister.

Karnpisith made a very clear stance that the NESDB does not pay enough attention to problem analysis but jumps into the problem: “The metaphor is like you (NESDB) work in the second chapter without a genuine understanding of chapter 1.” Onoparatvibool also supported Karnpisith’s view on weak research capability.

I want to ask if NESDB people when they want to do a study, have they really developed a conceptual framework? They barely do. They will jump into data without direction like fishing. When they start writing policy document, they start to feel like they don’t want to lose any single data. They end up overwhelmed with tons of data. (personal communication, March 12, 2019)

The capacity of the NESDB to conduct research results in the obscurity of the plan’s strategies and development guidelines resulted in effective budgeting and implementation. Budget Analyst at the senior professional level, BoB stated the following.

...some strategies that the NESDB is not an expert such as government administration, it is short and lack of substance compared to other strategies. The NESDB should possess strategic thinking and scenario planning. NESDB should be able to do it based on a review of international cases and tell what the country must do and output that will get out of it, and put it as flagships for everyone. Who does not fit in does not get the money. (personal communication, January 20, 2019)

More evidence that supports the deficiency in the research design is that in 2018 the new NESDC Act B.E. 2561 (2018) was enacted with the goal of transforming the planning unit into a real think tank that could shape and implement the 20-year national strategy.

Pootrakool, former Minister attached to Office of the Prime Minister stated that “[t]he NESDC will also be allowed to hire private experts, both from Thailand and abroad, to conduct R&D to support the country's future development

and social and economic reforms, as well as map out the 20-year national strategy” (Theparat, 2018). Sirisumphand, when he first took office, prioritized research capacity as one of his missions as the secretary-general. He stated that “[t]o strengthen the role of the NESDC to become a high-performing think-tank agency and talent center for research and development is my priority mission.” (Theparat, 2019)

6.3.8.2 The organization’s expense for research and research method training

Onoparatvibool stated that “[w]e have to accept that we are sick people. Then we improve ourselves. Top management has to be open minded.” Further, Rakkhumkaeo stated the following.

There is a strategic plan says NESDB is a Strategic and intelligence Unit. Everyone has seen it...But it comes to a question that whether or not we have training that tailor to specific to our needs. We don’t have required skillset in terms of thinking and writing.

The evidence shows the disconnection between human resource development and organizational strategy, which also supports the findings on the low capacity of strategic planning—that a linkage to the functions of organizations is lacking. One of the results may be caused by the leadership of the high-level officers that consider themselves superior to others may not think trainings are needed.

6.3.8.3 Access to Academic Databases

Access to data from academic was is limited; Suvit Mesinsee, the former Minister attached to the Office of the Prime Minister and the NESDB saw this problem. Mesinsee stated the following: “I think that NESDB has to speed up is investment in human resource and intelligence. What NESDB needs to have a strategic move...NESDB must emphasize on research that has big impact on society.”

6.3.8.4 Available budget and a clear time frame for conducting research in the planning process

Money and a time frame for the formulation of the NESDP differ from time to time; there is no fixed timeline of when to begin the process of formulation.

The NESDB usually allows a year or less for the planning. Nonetheless, only the Tenth NESDP had more than three years for the planning. There was a budget of 5 million baht given for in-depth research and brainstorming meetings.

6.3.8.5 Collaboration with specialists in relevant fields in undertaking research

Collaboration with specialists and experts in relevant fields to undertake increased research capacity was not found in the document research. Nevertheless, it is believed that they are incorporated in different studies.

In sum, research and extensive data utilization are, among others, a characteristic of comprehensive national economic planning but it was found that the research design is not a substantial element of NESDP development. Research method training was seen to be lacking even though it helps to identify the country's future, risks, and courses of action that determine whether the plan will become implemented and the rationale of the plan to guide informed policy decisions. In addition, the low capacity of research design reflects the scientific and knowledge driven culture that corresponds to the low capacity in knowledge management.

6.3.9 Political Stability

Likit Dhiravegin (1988) described Thailand's politics as a "demi democracy" where classes, interest groups, and institutions have emerged through the change of politics led by military and national economic development policy. Since Thailand became a parliamentary democracy with a constitutional monarchy, it has experienced a series of coups d'état by the military. Several prime ministers came the military such as Field Marshal Phang Pibulsongkram and Field Marshal Sarit Thanarat, who pushed great effort for economic and social economic development. The National Development Program, or in Thai Krongkarnpattana Prates advised by the U.S., brought about a share of the fruit across major cities. On the other hand, it created a new educated middle class and structural change in the economy (Dhiravegin, 1988). Industrialization created a new social formation comprising three groups: bankers, industrialists, and import-export businessmen built upon close connections enjoying the insulation of the ruling elites; working class workers in foreign-invested industries and services; and migrant students that were absorbed by universities. The students

became activists battling the ruling class for democracy (Dhiravegin, 1988). The 1973 and 1976 political turmoil by university students took place and ended with brutal suppression. The interim government led by Sanya Dhammasakdi marked the beginning of full democracy. However just after a year of political uprisings in 1976, Thailand faced another military coup. Although several prime ministers that were former high-ranking civil servants made their way to the interim government or an elected one, the governments were often seen as protectors of the military and ruling elites. The military and civil servants played a critical role in Thai politics. Prem Tinsulanonda, a Thai military officer, was the longest-serving prime minister, from March 3, 1980 to August 4, 1988. Prem was succeeded by Pol. Gen. Chartchai Choonhawan by a general election. After almost three years of premiership for two terms, he was removed by a coup d'état led by Gen. Pol. Soonthorn Kongsomphong, who accused him of corruption. Gen. Pol. Suchinda Kraprayoon, a former Commander in Chief of the Royal Thai army who joined Soonthorn's coup became the prime minister. Kraprayoon was out of the office by the political crisis so called Back May in 1992. Later a general election was held. Chuan Leekpai became the prime minister of the five-party coalition government. He was in power from September 1992 to July 1995. The parliament was dissolved amidst corruption charges of several ministers. Chuan was succeeded by Banharn Sillapaarcha, who led a seven-party coalition government. His government lasted less than a year and a half. Chavalit Yongchaiyut, a former Commander in Chief in the Royal Thai Army, was the next prime minister. He was in power for a year. The Chavalit administration was criticized for causing the 1997 financial crisis due to losing government policy that led to excessive private debt and relaxed regulatory oversight by the Central Bank. Before 1997, the Thai economy had performed remarkably well. Economic growth had been at around 7.6 percent from 1977 to 1996. The Bangkok International Banking Facility or the BIBF served as a channel for the overflow of the low interest rate of foreign capital that went into chemicals, petroleum, and construction (Siamwalla, 2000). The aftermath of the crisis was the property boom bubble, a declined national competitiveness and the rise of current account deficits. Chavalit resigned in November. The democrat-led coalition government successfully defeated the competing party—Chart Thai—led by Chartchai. Chuan became the

prime minister once again. In order to respond to the crisis Thailand entered the International Monetary Fund program in August 1997. The country received loans totaling US\$ 17 billion 29 from myriad sources, such as Japan, and central banks of Australia, China, Hong Kong, Malaysia, and the ADB. Thailand took austerity measures to stabilize the economy, for instance, an increase in value added tax from 7% to 10% and reductions in state enterprise subsidization; rigorous monetary policy to stabilize the exchange rate; the stemming of capital outflows and strengthening of the financial system and cuts in government expenditures. It has been argued by (Siamwalla (2000) that the government should instead have opted for expansionary strategy to offset the precipitous fall in investment and the negative absorption effect of the currency depreciation. A delayed fiscal stimulus produced less impact on the increase of economic activity. It was a mismanagement of the crisis compared to Malaysia. Mahathir did not immediately act on the crisis, but he waited until the situation began to level off to take action. Mahathir's strategy was capital control in September of 1998. His sharp and firm decision was proven to be successful (Siamwalla, 2000).

However, the financial crisis contributed to progress in democratization. When the financial crisis hit Thailand, a political and constitutional crisis was already taking place. In mid-August the constitution drafting assembly approved a new draft of the constitution aiming to eradicate money politics, increase political accountability, ensure human rights, and improve local democracy. As a result, several changes in politics and public administration were witnessed, including public hearings applied to national policy making such as five-year planning, a social investment fund, and an industrial restructuring plan (Akira, 2014). These outcomes were supposed to mark a new era of Thai democracy and a more stable politics. Years later Thai politics has remained erratic has faced a series of military coups. Instead of creating a leader of merit as the intent of the constitution, visionary authoritarian prime ministers emerged who had a strong will to reform and modernize the civil sector. Decades later Thailand is still entrapped in vicious cycle of political unrest and a divided society. The characteristics of the prime ministers, the political backdrop, and key national development policies are discussed as follows.

Thaksin (2001-2006)

Thaksin became prime minister by winning a landslide election with his Thai Rak Thai party in 2001 and was the first reelected prime minister that could control the parliament in his own right. He was known for his pro-grassroots and welfare policy, such as cheap medical care and debt relief, aiming to build a strong domestic economy while being strategically open to international trade and bilateral agreements. During his administration growth rates were impressive, the inflation ratio low, and the fiscal balance was good despite the need to spend a lot of money. Support from rural voters while losing urban residence and the Bangkok elite was unprecedented. After he was reelected in 2005, the yellow shirts, led by Sondhi Limthongkul in the name of the Alliance for Democracy, assembled by bureaucrats and royalists, took to the streets. On the other hand, the pro-Thaksin supporters called the United Front for Democracy Against Dictatorship wore red shirts representing grassroots rural residents. He was accused of corruption and abuse of power for the sale of Shin Corp to the Temasek Group to avoid paying taxes after months of anti-Thaksin street demonstration. He was ousted in a military coup in 2006.

The new 2007 Constitution was drafted and enacted and Surayud Chulanond became the prime minister. The 2006 coup and the planned military-backed government under Surayud and the Democrat Party-led coalition was the resurrection of the bureaucracy and technocratic structure that was engrained in an old form of authoritarianism (Akira, 2014; Hewison, 2010). The NESDB reemerged as the country's advisor. The Tenth NESDB was developed based on the King Bhumiphol's philosophy of the Sufficiency Economy Philosophy, social unity, and inclusivity rather than economic modernization out of the capitalist welfare state. Thaksin's allies lost power at the end of 2008 after a series of street protests and court rulings. He ended up fleeing the country and is self-exiled abroad. Following the collapse of Thai Rak Thai party, his new controlled party the People's Power Party or Phalang Prachachon, led by Samak Soondhoravej, was founded and won an election in 2008. Samak was in power less than a year because of the constitutional court ruling. The party was then led by Thaksin's brother-in-law, Somchai Wongsawat, who took the premiership for less than three months. Pro-Thaksin political parties were banned, and their leaders were disqualified from politics for five years.

The rise of Thaksin marks a great turning point not only for Thai politics but also economic and social management and particularly the emergence of the modernization of the public sector. The latter posed a great challenge to the NESDB to redefine its role and its capacity in the new political landscape under a civil authoritarian premiership and unprecedented social and economic policies, Thaksinomics. Thaksin was a strong advocate for policy eradication through his pro-poor programs, for instance, low interest credit to rural people, a 1 million Baht village fund to promote small-scale industries, a debt moratorium for poor farmers, and housing projects for low-income households. The 30 baht healthcare scheme—where one pays only 30 Baht for a visit to a medical hospital or clinic—is globally recognized. Every village was given 25,000 US\$ as micro loan seed money along with other generous grants to develop the “One Tambon One Product” utilizing local wisdom and creativity to boost the local economy, tourism, and to foster entrepreneurship (Hewison, 2010). On the one hand, his pro-poor programs were labeled “populist policies”. However, they have contributed to social welfare innovations with remarkable achievements (Hewison, 2010). On the other hand, the empathic policies demonstrate that policy ideas can be powerful when co-created with the grassroots and how important the commitment of the highest level politicians matters for effective and timely delivery of the policy. His leadership style and political marketing transformed traditional Thai politics, which relies on relationships between local mafia-style politicians, to where the prime minister has a direct relationship with the grassroots by passing provincial strongmen in clientelistic networks that stretched from the “bottom” to the “top” of the political system and bureaucracy (Mietzner, 2013). Drastic changes also occurred in the public sector as public reform was always the top priority. The OPDC was founded to modernize a public sector that could support the implementation of his policies. He is known for his management approach of the country is my company (Bowornwathana, 2004). Strategic planning and strategic management were key to his development administration and economic management, just like a company needs compass and a roadmap. A four-year GAP was initiated to expand policy statement that must be measured and evaluated by strategic goals and key performance indicators (World Bank, 2011). Ministries were restructured on national agenda that were in line with

the changing structure of the economy and social development. The number of ministries increased from 14 to 19; for example, the Ministry of Tourism and Sports, the Ministry of Social Development and Human Security, and the Ministry of Energy. Before he was ousted by the military, he prepared for another restructuring of the ministries. His reform agenda not only tackled the hard infrastructure but also the human resource management and development systems. Corporatism also brought about personal management based on meritocracy as a package. High-level civil servants at the director general or permanent secretary and secretary general levels across different ministries were transferred regardless of norms or seniority. In September 2002, Jakramon Pasukwanich, who was the former secretary general of the NESDB, was transferred to be permanent secretary of the Ministry of Industry. Later in 2004, Ampol Kittiampol, a deputy permanent secretary in the Ministry of Agriculture and Cooperatives, was appointed as the secretary general of the NESDB. His audacity provoked strong resistance among government officials (Maektrairat, 2008). Also, he knew that without an efficient budget system and silo-style ministries, his strategic cross-cutting agenda arrangements would never advance. He ordered the BoB to shift from a Planning Programming Budget System that aimed to improve consistency between planning and budgeting to a Strategic Performance Based Budget System because he knew that the traditional line item budgeting fashion persisted (Akira, 2014). Thaksin's Strategic Performance-Based Budget System was the intent to strengthen the top-down approach where the prime minister and the ruling party initiate policies rather than relying on the analysis and recommendations of the four central executive agencies, especially the NESDB. During his administration the national defense budget in terms of the percentage of allocation sharply dropped. The percentage of national defense decreased from 7.5 percent in fiscal year 2002 to 6.3 percent in fiscal year 2006. On the other hand, the percentage of social security increased from 6.9 percent in fiscal year 2002 to 7.0 percent in 2006. From 2004 to 2006 the social security budget exceeded the national defense budget. In addition, central funds and revolving funds were hiked as they were used as an instrument to deliver his policy endeavors because they were not under the line ministry but the cabinet decisions. Central funds were used for debt repayment of village funds and reserve economic resuscitation such as SMEs and rural people, the

National Competitiveness Program, and provincial cluster development strategy plans. Expenditures on the 30-baht healthcare program were not disbursed to the Ministry of Public Health but to revolving funds that preempted him from receiving ramifications from ministries and economic technocrats (Akira, 2014). Thaksin was attacked by the mass media and scholars for an off-budget system. In 2005 the BoB was ordered to revise the Budget Act 1959 to further support the implementation of his agenda-based development, but he was ousted by the military before the new budget system was enacted (Akira, 2014).

Table 6.6 Government Expenditures from 1991 to 2010

Fiscal Year	Total Allocation	General Administration		Community and Social Services				Economic Services
		Sub-total	Defense	Sub-total	Education	Health	Social Security	
1991	387,500	26.2	16.0	31.3	19.3	5.7	3.1	23.3
1992	460,400	25.3	15.4	31.0	18.6	5.7	3.1	24.3
1993	560,000	24.5	14.3	33.8	19.3	6.2	3.4	25.5
1994	625,000	24.1	13.8	35.5	19.5	6.8	3.6	26.5
1995	715,000	22.4	12.6	37.1	18.9	6.9	3.8	27.0
1996	843,200	22.8	11.6	38.4	19.9	7.1	4.3	28.9
1997	925,000	20.8	11.0	40.5	21.9	7.4	4.2	29.0
1998	830,000	20.7	10.0	43.0	24.9	7.7	4.1	26.0
1999	825,000	19.8	9.3	42.2	25.1	7.3	4.4	24.2
2000	860,000	20.4	8.9	43.6	25.7	7.4	5.4	22.1
2001	910,000	19.6	8.4	42.0	24.4	7.1	5.7	22.5
2002	1,023,000	18.2	7.5	41.6	21.8	7.1	6.9	23.3
2003	999,900	19.1	7.6	42.1	23.5	7.8	7.6	20.6
2004	1,163,500	18.0	6.4	40.4	21.6	7.2	6.5	24.3
2005	1,250,000	16.9	6.2	38.1	21.0	7.1	6.9	23.7
2006	1,360,000	17.8	6.3	40.0	21.7	7.4	7.0	25.0
2007	1,566,200	18.1	7.3	41.8	22.7	9.5	7.2	21.2
2008	1,660,000	19.8	8.6	41.8	22.0	9.3	6.9	19.3
2009	1,835,000	20.8	9.2	41.7	21.8	9.0	6.9	17.9
2010	1,700,000	25.1	9.0	41.7	22.3	10.5	6.9	16.9
2011	2,070,000	25.1	8.1	39.6	20.4	10.1	6.7	20.5

Source: Made by the author on the basis of *Thailand's Budget in Brief* (BOB, each edition).

Source: Akira, 2004.

Abhisit (2008-2011)

Abhisit of the Democrat Party became the prime minister in December 2008. Abhisit led a seven-party coalition government for less than three years because the

red shirts had continued to rally against his leadership and military support. In 2009 the demonstrations occupied the main roads and major inner commercial areas in Bangkok and major provinces. A state of emergency was declared in Bangkok and five neighboring provinces. In 2010, a large numbers of Red Shirts assembled. Troops swung into action which triggered clashes. His major policies included fifteen-year free education and an elderly allowance. Abhisit's administration was under the pressure of the 2008 subprime mortgage crisis. Two economic stimulation programs included new investment on infrastructure projects and cash handouts for low earners. Ironically an elected prime minister administered the country in which the environment, promoted by the 2007 Constitution, was authoritarian and full of color-coded movements. On 9 May, Abhisit announced the dissolution of the parliament.

Yingluck (2011-2011)

Yingluck Shinawatra's winning an election on July 3, 2011 proved a landmark in the history of Thai politics with a landslide election. Yingluck's Pheu Thai party won 260 of the 500 parliament seats, giving it a majority in the 500-seat parliament. Despite enough seats to set up a one-party government, Yingluck called for Chartthaipattana, Chart Pattana Pandis, Palung Chon, and Mahachon Party to form the government to form a five-party coalition government with 299 members to ensure a strong and stable government. Yingluck displayed her aspiration to continue his brother's legacy and pro-poor policies. Her policies included reintroduction of the 30-baht healthcare scheme, attaining the Millennium Development Goals, one million free computers to school children, and lastly (which caused controversy) raising the minimum wage for workers. The present author was already with the NESDB under her administration and was part of her initiative of the 20-year country strategy plan where the NESDB was tasked to facilitate and coordinate with the line ministries, hopefully to reinforce the practice of cross-ministerial project initiation and joint KPIs. Her intention for long-term planning was to provide the government with a corporate plan like documents that were based on government strategic agenda rather than a silo-style policy and project formulation. However, this was set aside as she was ousted by a military coup in 2014. She was in power for more than three years. Yingluck was accused of mismanagement of a rice pledging scheme and a G2G rice deal corruption and the inability to manage the 2011 flood that took place just months

after she took premiership. Yingluck was removed from office by a military coup for alleged abuse of power (Akira, 2014).

Prayuth (2014-2019)

Claiming to end the violence in Bangkok and other parts of the country that caused loss of lives and property, Prayuth seized control of the country. His military coup marks Thailand's 19th coup in 82 years. The majority of his cabinet ministers were former high-level civil servants. The National Strategy Act B.E. 2560 (2017) was enacted that and the National Strategy Committee and its sub-committees have been mandated to develop the draft of the National Strategy. The NESDB is the secretariat to the national strategy committee. The Act also requires that public participation in formulation of the strategy, monitoring, and evaluation be performed. All public organizations are obliged to propose programs and projects that are consistent with the national strategy. The 20-year national strategy (2018-2037), the country's first national long-term strategy, was introduced, claiming to be crucial to providing the country with a clear-cut, long-term direction and to prevent a development path from political disturbance. It envisions the country becoming "a developed country with security, prosperity and sustainability in accordance with the Sufficiency Economy Philosophy." The six key strategies are: national security; national competitiveness enhancement; human capital development and strengthening; social cohesion and a just society; eco-friendly development and growth; and public sector rebalancing and development.

The National Strategy brought back the NESDB as the frontliner of national development. The strategy has added a new layer to the Thai planning horizon. The new National Economic and Social Development Council Act B.E.2561 (2018) was enacted in 2018 with a new organization structure and responsibility to ensure appropriate allocation of the budget and to keep the implementation and monitoring and evaluation of the strategy and the Twelfth NESDB aligned.

Political stability, democracy, and economic growth

Punyaratabandhu (1998) describes the Thai political system as lacking policy unity and management because of the coalition governments where small parties have autonomy in their own ministry. The 1997 Constitution or the so-called people's constitution not only reflects money politics but also project changes in the landscape

of society, class, calls for human rights and the roles of the media to create clean and good governance in public and private sectors influenced by the financial crisis (Punyaratabandhu, 1998). Over the past 80 years of Thailand's journey to democracy, each government regime had an average of only two years or less in office. Most governments are concerned about reelections and in this manner focus on short-term challenges or invest in short-term growth. The country's long-term development path has been interrupted persistently. Political instability causes policy discontinuity, particularly regarding mega-infrastructure project development and the emergence of new pet projects while the projects of former administration are abandoned. Line ministries and departments are swept away by political executives rather than sticking to rationality and objective analysis. The translation of the five-year plan is exposed to political decisions (Sirisumphand, 2019).

The four central executive agencies—namely the NESDB, FPO, BoB and BOT—were also challenged by new players and stakeholders. The un-unified administration among the agencies was seen by Thaksin as a structural weakness that undermines efficient and effective policy decision-making (Akira, 2014). The role of the NESDB has been diminished. It became a subject of new policy drafting and a facilitator for government policy legislation. One interesting example is the dual track policy where one part is to boost the country's competitiveness while another focuses on promoting domestic consumption. The NESDB was instructed to work with Michael Porter to submit the National competitiveness plan targeting five economic sectors, including food processing, automobiles, the fashion industry, the tourism industry, and development of software services as the new source of growth. He wanted to replace the national development ideology with Thaksinocracy (Akira, 2014). Although the National Competitiveness Plan was submitted to the cabinet for approval by the NESDB in 2003, it was in point of fact done by Porter and the SASIN business school. The NESDB has lost its role in proposing policy initiatives and as a chief planner of the country. Akira (2014) states that the "NESDB could no longer take initiative as a primary planner, and merely served as a coordinator for planning."

Compared to the analysis of the Malaysian case where politics is stable, only data from the period of Thaksin allowed the trend of the GDP per capita to be analyzed. During his administration the GDP per capita steadily grew. From 2001 to

2005 the GDP per capita growth stood at 5.9 percent. It dropped from 12267.33 US Dollars in 2008 to 12198.04 US Dollars in 2009, which is unsurprising because Abhisit took premiership amidst street protests and economic contraction from the subprime crisis. He managed the GDP per capita growth from 2009 to 2011 at 5.35 percent. During Yingluck's administration the GDP per capita growth accounted for 2.04 percent.

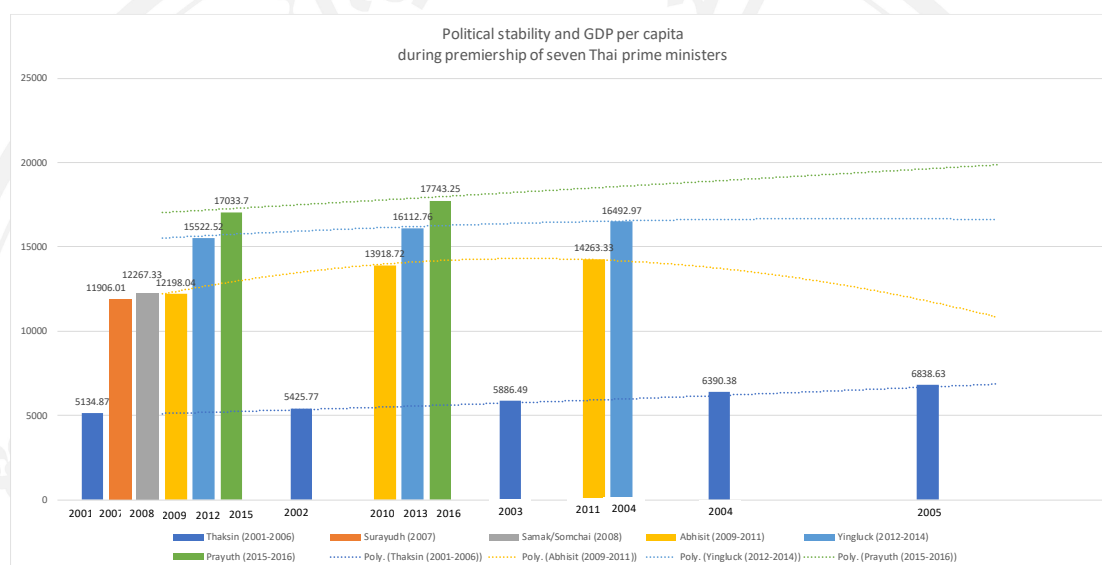


Figure 6.7 Political Stability and GDP PER Capita during Premiership of Seven Thai Prime Ministers

In sum, the Thai economy has not benefited from the continuance of government. Rather, it has affected the disruption of policies and ideology shifts in state administration from military, authoritarian to bureaucratic polity, and a capitalist welfare state, which have resulted in mandates and limited institutional improvements of the NESDB. Instead of maneuvering the government agenda, the NESDB is merely a coordinator.

CHAPTER 7

COMPARATIVE ANALYSIS

This chapter presents a comparative analysis of Malaysia and Thailand's development plan implementation effectiveness based on the conformance-based approach. The first part is a summary of the capacity of the EPU and NESDB, and the relationship among the independent variables of each case. Also provided is a simple model of development plan implementation evaluation: the performance approach of the two cases.

The second section is a discussion of the comparative findings. All is to answer the question of this study: "Why are the development outcomes of Malaysia better than those in Thailand in many areas, especially after the 1997 financial crisis?"

Lastly, international indices are provided for further investigating the relationship between the development plan implementation and development outcomes based on the conformance approach. This will cross tabulate the results and offer an attempt to establish a linkage between the two approaches and contribute to new knowledge in the field of national development plan implementation evaluation.

7.1 Summary of the Capacity of the EPU and NESDB

7.1.1 Summary of the Capacity of the EPU

In this study it was found that three independent variables are significant regarding the capacity of the EPU, as follows.

Institutional Arrangements

- 1) Clarity of the planning organization's policy, procedure, and process
- 2) Association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in five-year national plan formulation, implementation monitoring, and evaluation

3) Association with policy public organizations, private sector associations, CSOs, think tanks, and stakeholders in policy analysis Stakeholder management

4) Formal plans or policies for stakeholder participation and specification of desired goals and common benefits in each stakeholder relationship

5) Identification of the stakeholders and analytical activities of their potential impact on the organization

Institutional linkages

- 1) Memberships, partnerships, associations, and networks
- 2) Public organizations, private association, CSOs, and think tanks are formally incorporated in the planning mechanism.

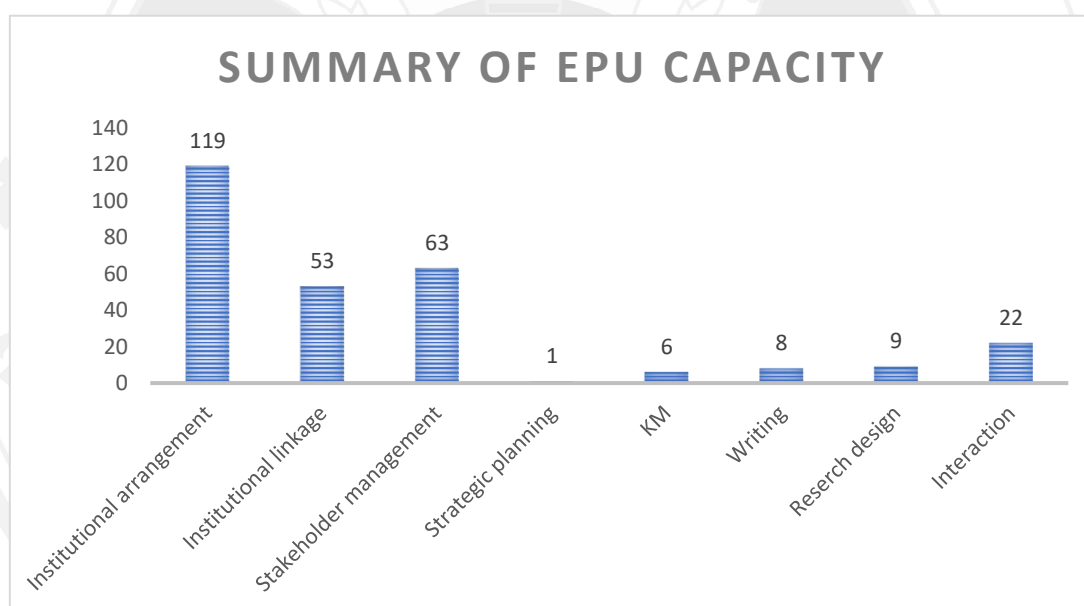


Figure 7.1 Significant Capacity of the EPU

The EPU's capacity is shaped by three independent variables as important features of the EPU; namely, institutional arrangements, stakeholder management, and institutional linkages. The clarity of the EPU's policy, procedure, and process of planning determines a clear role and relationships among private sector associations, CSOs, think tanks, and stakeholders in planning, implementation, monitoring, and

evaluation and long-established procedures that enable the planning cycle to run as a complete loop and keeps the MP an “operational plan” that derives from several key stakeholders ,who are the ones that put the plan into practice making the long-term vision and plan a reality. The clarity of the planning organization’s policy, procedure, and process plays the most important role defining the effectiveness of the Malaysia Plan implementation as it gives the EPU a clear mandate and authority to decide on development expenditures to keep programs and projects aligned with the Plan’s direction and the country's priorities. The states and implementing departments that are going to be implemented are controlled by the EPU.

The presence of public organizations, including federal line agencies and states as well as central executive agencies, including the NBO and ICU, and the private sector, is solid in planning through the IAPGs and TWGs. The NBO plays an outstanding role in budgeting, fiscal management, cash flow management, and performance evaluation. Even though Malaysia is federalist, states actively engage in planning. The ICU takes full responsibility for the delivery of development projects or so-called physical projects. Institutional linkages sustain the EPU image, which promotes its relevance among global knowledge partners such as the World Bank, JICA, ADB, and UNDP. However, there is room for improvement in areas of stakeholder management and interaction skill writing and the interaction skills that have been confirmed in this study, which has caused a decrease in the EPU’s capacity in some periods, leading to the control of implementation and monitoring and evaluation by special purpose vehicles such as PEMANDU. The EPU never completely lost control of connecting planning and implementation. The Malaysia Plan is not just a narrative of the country’s socioeconomic situation and a depicting of the country’s dream written by elite bureaucrats—it is a working document that curbs the implementing organization’s course of actions. In sum, it could be said that the development plan implementation model of Malaysia relies on a bureaucratic approach.

Even though the skill set remains low, intrusions such as PEMANDU and private consultants have prompted the EPU to shift to more humanistic planning, as seen by adapting its communication and tools that would strengthen the linkage between the plan and projects.

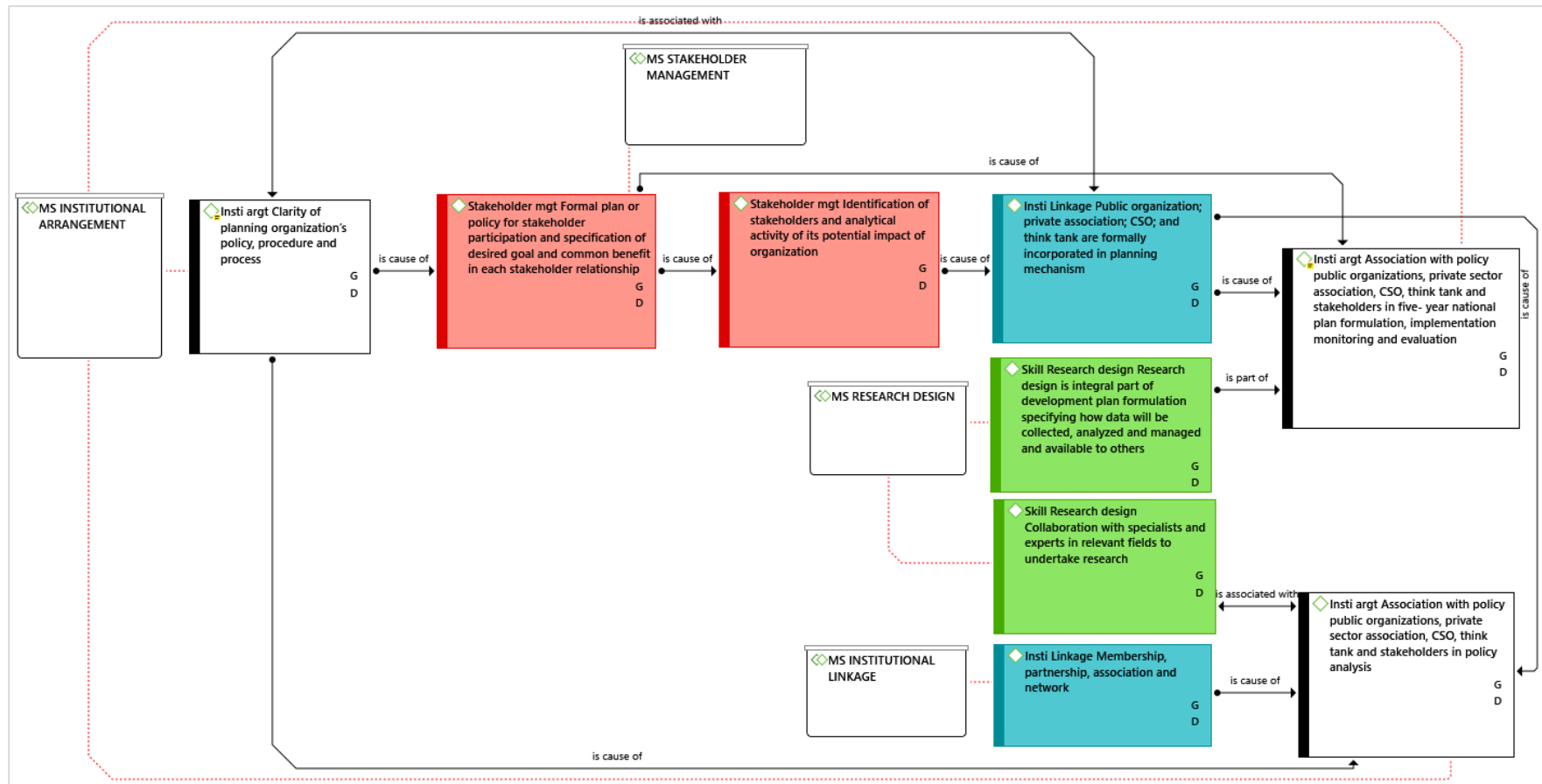


Figure 7.2 Relationship among Independent Variables

The significant capacity of the EPU and NESDB is demonstrated below as the models of development plan implementation according to the performance approach.

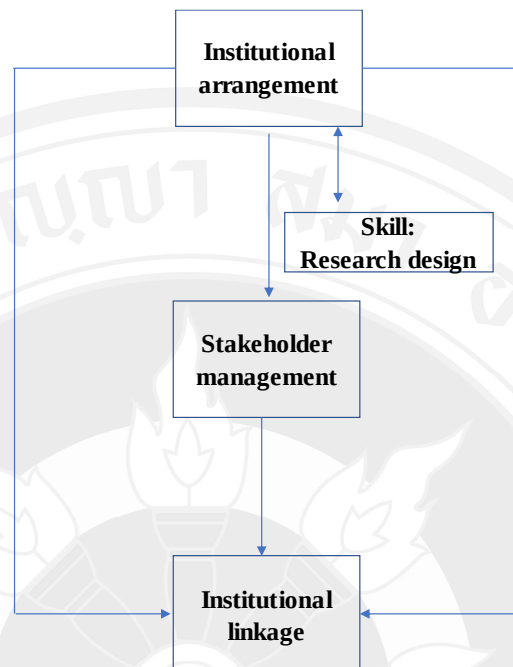


Figure 7.3 Malaysia's Development Plan Implementation Model using the Performance Approach

7.1.2 Summary of the capacity of the NESDB

In this study it was found that there are three independent variables that are significant to the capacity of the NESDB. They are the following.

Knowledge management

- 1) Methodological integration
- 2) Existence of the organization's KM Plan

Strategic planning

- 1) Use of formal strategic planning and methodology such as SWOT or scenario analysis
- 2) The time that the chief executive spends on the strategic planning process as facilitator, giving advice on implementation monitoring, evaluating, and updating strategic plans

Research design

- 1) The organization's expenditure on research and research method training Institutional linkages
- 2) Memberships, partnerships, association, and networks

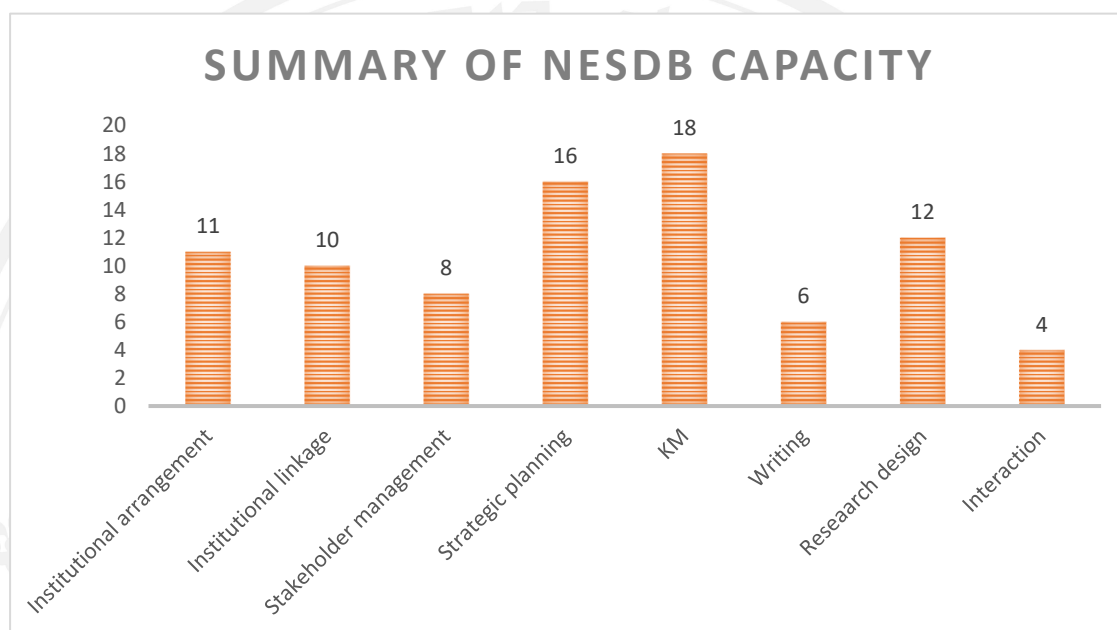


Figure 7.4 Significant Capacity of the NESDB

From the analysis it was found that the NESDB's capacity is concentrated at the organizational level; namely, KM, strategic planning, and research thanks to the strong legal framework for implementing NPM like the concept in the public sector. Good governance and KM are widely adopted as for organizational improvement and to become a learning organization per se. The NESDB has invested an incredible amount of time and resource learning to implement them. Several KM Plans were developed and implemented seemingly systematically for years. Nonetheless, they were not an organic move, not only in the NESDB but also in other central executive agencies such as the BoB. They were implemented "on the margin" of knowledge or mapping with strategic planning. They were rather compliance to law.

Despite sitting in the center of the OPM, the NESDB barely optimizes its authority to build the interconnectedness among formulation, implementation, and monitoring and evaluation. The five-year planning policy and process has made little progress. The NESDB's law, planning policy, and process are tenuous and this results in the planning and NESDB itself being vulnerable to political influence and actor networks. In other words, the bureaucratic foundation is weak and cannot support a link between plan and implementation. In some eras when the government was strong, research and supporting studies were robust. The draft of the NESDP was submitted to the government back and forth for approval and comment. Worsened by low skills in stakeholder management, writing, and interaction, and the increased number of stakeholders even made it more difficult for the NESDB to warrant an alignment between plans and programs, and projects and budget allocation. This is not to mention the development of strategic performance budgeting, which has not yet been successful (Poocharoen, 2005).

The decline in institutional and individual capacity shows that the NESDB does not move toward development planning. On the other hand, it cannot rely on bureaucracy. As a result, it could be said that development plan implementation of the model of Thailand relies on neither bureaucratic nor development approaches, which are fundamental for the central planning agency to implement a plan.

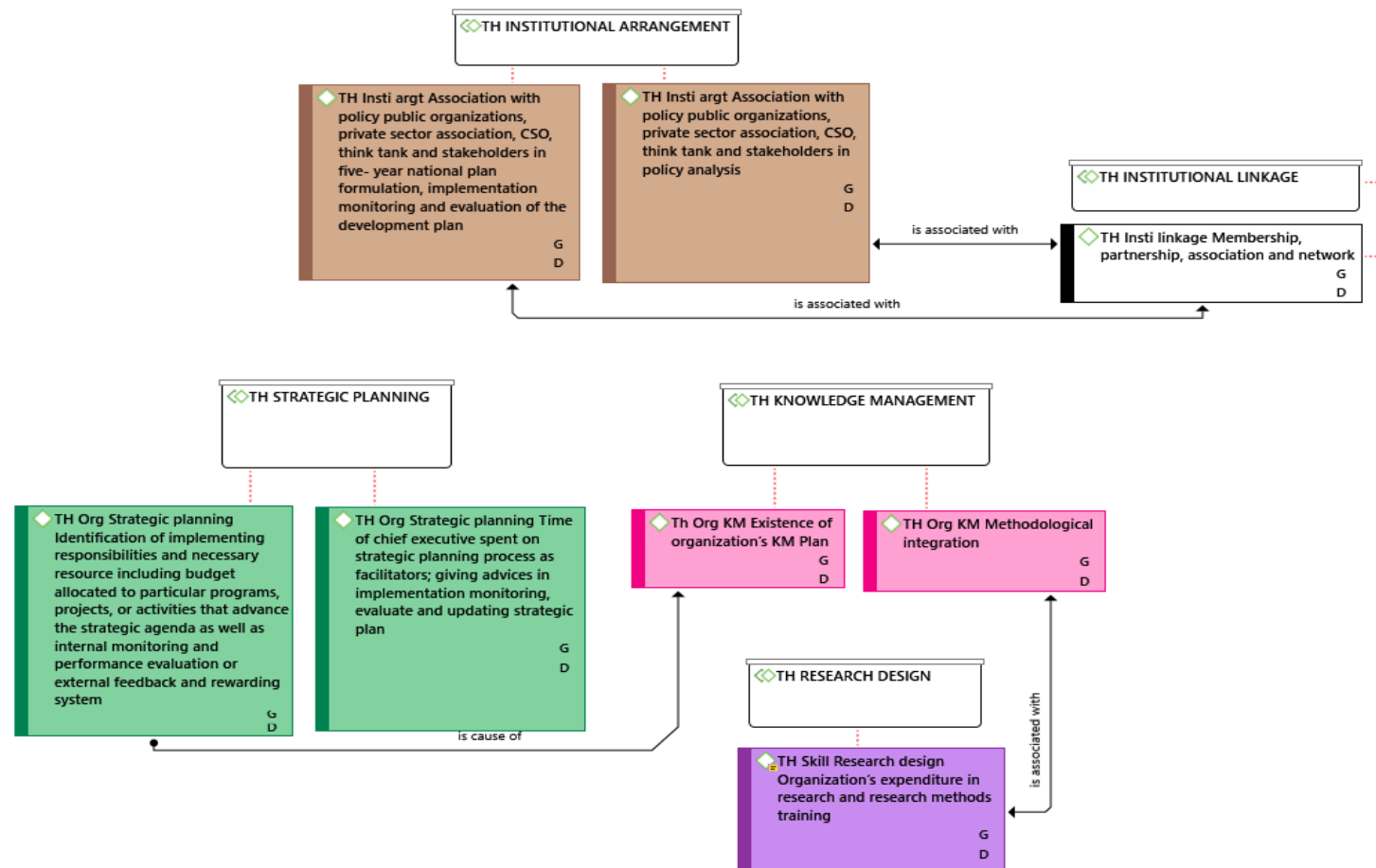


Figure 7.5 Thailand's Development Plan Implementation Model

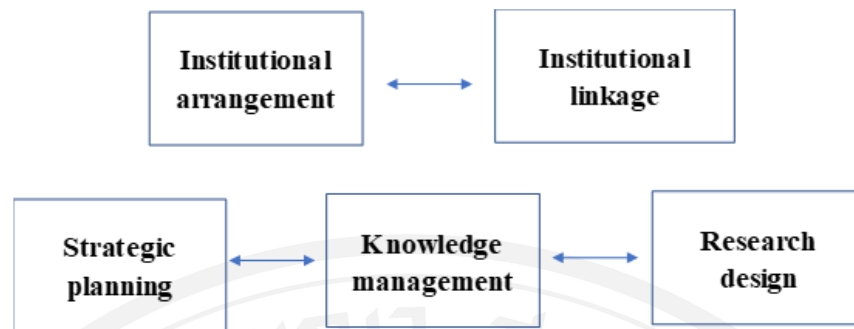


Figure 7.6 Thailand's Development Plan Implementation Model Using the Performance Approach

Figure 7.6 represents the comparative capacity of the EPU and the NESDB. The EPU is superior in areas of institutional arrangements, institutional linkages, and stakeholder management. The NESDB's capacity is concentrated at the organization level, including KM, strategic planning, and research design.

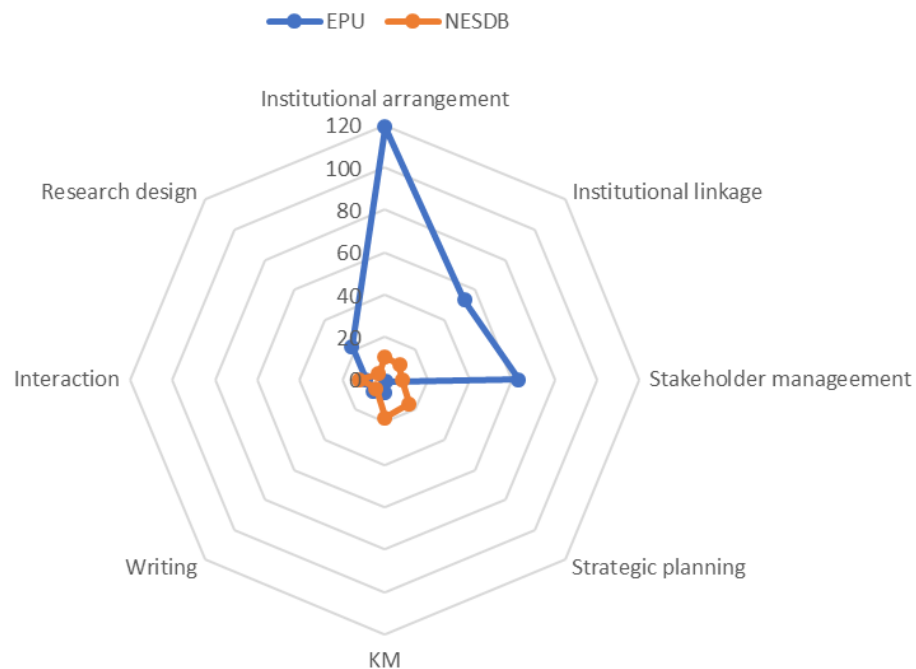


Figure 7.7 Comparative Capacity of the EPU and NESDB

7.2 Comparative Findings

The 1997 financial crisis influenced Thailand and Malaysia not only regarding macroeconomic management but also in terms of public administration and development planning. The NERC shows that Malaysia's government realized that coping with economic turbulence cannot merely rely on the existing planning mechanism and the EPU. There is no evidence suggesting that the EPU puts great effort into enhancing its capacity in order to keep up with government requirements and development administration contexts. The EPU has continued business as usually with to some extent the adoption of an NPM-like tool.

When the Barisan Nasional government encountered political turbulence in 2008, it recognized the disconnection between plans and implementation and the inadequate capacity of the EPU to address public concerns in a timely manner. The EPU alone would not be able to deliver the government's long-term policy. However, the Malaysia Plan continued to serve as an operational plan. The EPU has remained the gatekeeper for program and project alignment because of the strong institutional arrangements, particularly the parallel machineries of planning and implementation coordination. Najib literally "woke the EPU up" with PEMANDU as a "new breed" in civil service. PEMANDU is an "organization design" that reinforces the interconnectedness of plan implementation. PEMANDU's approach and robust implementation monitoring system reinstate the significance of formal organizations, formality, authority, and the mechanisms to ensure cooperation of related parties according to the performance-based approach. After that the EPU, while it still relies on authority, formal organizations, and mechanisms, has paid more attention to increasing participation and communication.

In Thailand NPM-like approaches were adopted, and political stability and political leadership were lacking. There was no special-purpose vehicle to fix top-down and bottom-up failures such as PEMANDU and to momentarily and effectively deliver public services during and after the time of crisis. National planning continued to be carried out on weak institutional arrangements. The planning process is weak as it has loose interconnections among institutional elements, strategic planning, and organizational development individually and organizationally. As a result, the

national planning is susceptible to political influence when the government is strong and lacks rational comprehensive analysis at the time of political instability.

Consequently, Malaysia was able to rebound from the crisis faster than Thailand and has been able to maintain the momentum of the implementation of a medium-term course of action in order to achieve long-term visions and goals.

7.3 Development Plan Implementation Effectiveness: The Conformance-Based Approach

This section offers an analysis of the planning capacity and national development outcomes that the national five-year plans address or are referred to as the analytical background and rationale for determining trust and strategy. The development outcomes are GDP (PPP) per capita, the GINI index, which measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviate from perfectly equal distribution, the Institute for Management Development or IMD's Competitiveness Ranking and the UNDP Human Development Index. Included as part of the analysis are key policies and initiatives that were implemented during the period of this study. The secondary data from economics, social development, politics, and public administration are the supporting evidence for the analysis.

The analysis using the conformance-based approach and using key policy initiatives, political stability, and global indicators shows a positive relation among the institutional capacity of the EPU, political stability, and development plan effectiveness. The results also show that there has been a growing trend on GDP per capita, the Gini Index, and the HDI rank of Malaysia thanks to successful transformation from a commodity export-based economy to a more diversified economy and the continuance of government expenditure-led strategy for education and health infrastructure through the EPU as the center of development expenditures decisions. Malaysia is achieving Vision 2020 in becoming a developed country in terms of income even if it is slower than expected. The Seventh MP announced in 1996 is in line with Vision 2020 and the NDP as a successor of the NEP, aiming to reduce the gaps among races. The Seventh MP highlighted the concept of balanced

development and fair distribution among all ethnic groups. Economic growth will be a productivity-driven growth strategy and transformation of large-scale production for exports by industries and the importance of human resources through training and education. The following plans maintain their focus on the cultural and psychological aspects of human development, a knowledge-based economy, R&D, and technology and ICT development. An efficient public sector is the foundation of economic growth. The key policies and initiatives that have been implemented during the period of study are shown in figure 7.8.

Outcome				
	GDP/ capita 8100.28 (1997) 9060 USD (2000)	9093.32 (2001) 12057.55 USD (2005)	19,502 (2008) 20,322 USD (2010)	21470.31 (2011) 27282.78 USD (2015)
	GINI 49.1 (1997) 46.1 (2004)	GINI 46.1 (2004) 46.1 (2007)	GINI 45.5 (2008) 43.9 (2011)	GINI 43.9 (2011) 41 (2015)
	HDI 0.706 (1997) 0.725 (2000)	0.723 (2001) 0.731 (2005)	0.761 (2008) 0.772 (2010)	0.778 (2011) 0.795 (2015)
Key initiative/Policy	Competitiveness 14 (1997) 26 (2000)	28 (2001) 26 (2005)	22 (2006) 10 (2010)	16 (2011) 14 (2015)
	Seventh Malaysia Plan (1996-2000)	Eight Malaysia Plan (2001 - 2005)	Ninth Malaysia Plan (2006 - 2010)	Tenth Malaysia Plan (2011-2015)
	New Development Policy 1991 - 2000	National Mission (2006-2020)	National Vision Policy 2001 - 2010	New Economic Model (2011 - 2020)
	Fair distribution Industries modernization to maintain competitiveness Private sector led growth National Economic Action Council in EPU: Coherent policy responses → NERP Bureaucratic and centralized decision-making	Cultural and psychological development, ICT, Sustainable growth, Knowledge-driven Conducting Development Program Evaluation Guidelines (2005) Public Sector ICT Strategic Plan (2003) PMSII (2005)	Move up value chain, R&D, STI Private Sector-led, Gov't Facilitated GTP 1.0 (2009-2012) 8 NKRA's ETP (2010) 12 NKEAs PEMANDU (2008) Labs, Public noise sensing, Media Result oriented (2001) Development Program Evaluation Human capital development: First Class Mentality PEMUDAH: Reduced registration time, e-payment, one-stop center	United, and just society, entrepreneurial society People First, Performance Now Public Sector ICT Strategic Plan (2016-2020) World Bank Global Knowledge and Research Hub Rolling plan Integrated Result Based Management (IRBM) Outcome Based Budgeting (OBB) : Log frame
----- Modified Budgeting System (MBS) -----				

Figure 7.8 Summary of Key Policies and Initiatives and Development Outcomes

The promising trend of Malaysia's GDP per capita on the other hand stems from government interventions to promote economic opportunity, especially for the Bumiputera. Another contributing factor is macro and microeconomic management. In addition, targeted economic sector strategies and the promotion of foreign investment supported by continued public sector improvement has been driven by various national programs, for instance, the National Mission, Outcome Based Management, Results-Based Management, the GTP, and the ETP have enhanced productivity, innovation, and national competitiveness accordingly (see figure 7.8). Malaysia has been successful in transforming itself from an agricultural country to

commodity exports based on a more diversified and open economy with strong links to global value chains. Malaysia's economic growth today is largely contributed to by the service sector (Hussin and Ching, 2013).

Gill and Kharas (2015) emphasize that in moving from middle to higher-income status a country requires an increased share of services and of the financial sector in the economy. Technological growth, trade, and investment openness and regionalization are the underlying factors for the growth. The enabling environment includes non-short-termism politicians, institutions, and an efficient public sector that can implement regulations that are critical for economic development.

Stone (1980) argues that a state-controlled market economy has greater control of economic management. A number of government interventions are implemented through the Malaysia Plan by the development budget. With the strong institutional capacity of the EPU and the control of the budget it can effectively manage the coherence of the five-year plan, national policy, and government programs and projects.

The successful transformation of the economy has resulted in the growth of the GDP per capita, which in Malaysia and Thailand has widened since 2011. National transformation programs, public sector development and delivery, and new instruments for better program initiation were robust under Najib's government from 2009 onward.

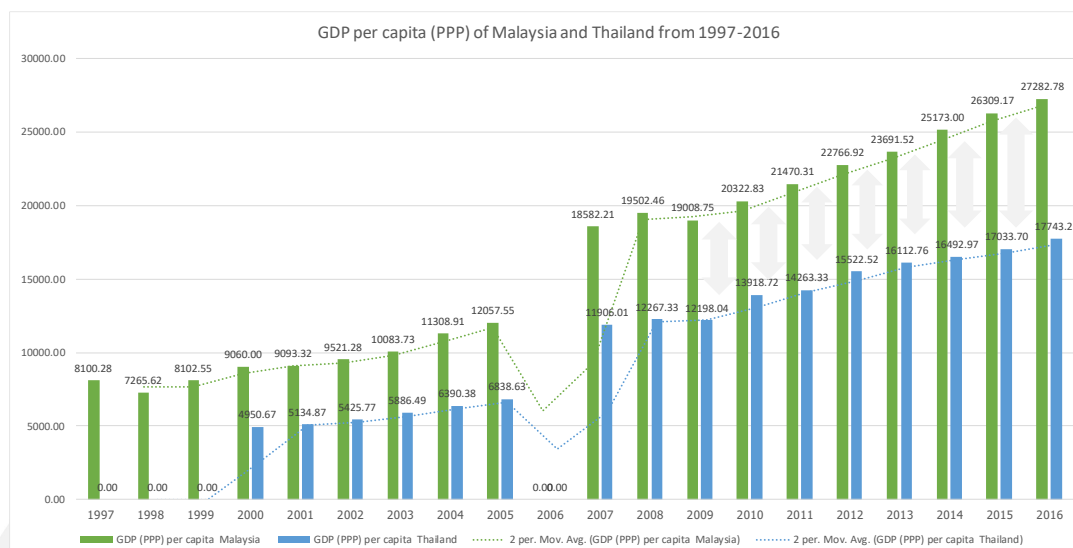


Figure 7.9 Malaysia and Thailand's GDP (PPP) per capita⁷ from 1997-2016

Although income inequality in Malaysia remains higher than that of Thailand, both countries share an optimistic trend regarding the decline of the income gap. Achieving inclusiveness and a united society has been the essence of Malaysia's development objectives since the NEP (Organization for Economic Co-operation and Development, 2016). The two NEP objectives have received an average of more than 30% of the total federal government allocation (Hakim, 2001). Ethnic Malays were favored by the government interventions, such as school and university quotas where a large number were absorbed into the public sector. Designed as an operational plan, the Malaysia Plan is a channel for fund allocation for poverty eradication and redistribution. From the Second to the Fifth MP (1971-1990) the principles were a united multi-ethnic society, economic and trade openness, and global value chain integration led by the private sector. Succeeding the NEP, NDP, and NEM has

⁷ The 2018 data for GDP PPP are estimates. Purchasing Power Parities (PPP) are the currency exchange rates that equalize the purchasing power of different currencies. This means that a given sum of money, when converted into different currencies, at the PPP rates, will buy the same basket of goods and services in all countries. PPPs are the rates of currency conversion that eliminate the differences in price levels among countries.

continued to maintain the goal to reduce inequality. Further, government intervention is the political support for reforms to increase the state's capacity to deliver services and to implement policies. On the other hand, the permanence of the intervention and commitment of the BN government to improve the well-being of Bumiputera has helped to stabilize politics as it reaffirmed BN commitment (Asadullah, Mansor, & Savoia, 2019).

Built for the better living condition of the people, the GTP driven by PEMANDU has successfully increased the quality of transportation and transparency in the public sector. It has also been able to increase access to credit and income, providing economic opportunity to the low-income households, particularly those in the least-developed states such as Sabah and Sarawak. Entry Point Projects increased access to credit, providing economic opportunity to the low-income group, particularly those in Sabah and Sarawak, the least-developed states in eastern Malaysia. They have not only been able to reduce income inequality but have also promoted equal access to quality public services.

A successful case of income inequality reduction was confirmed by a senior manager in the Sabah State Economic Planning Unit, as seen in the following:

We (Sarawak) were at the top three of the nation...They (PEMANDU) gave focus on certain areas and of course certain KPIs that enhance the implementation part...The poverty rate in 2014 was 3.9 but now we are at 0.6%. That is the poverty line. So, there is some reduction being done.

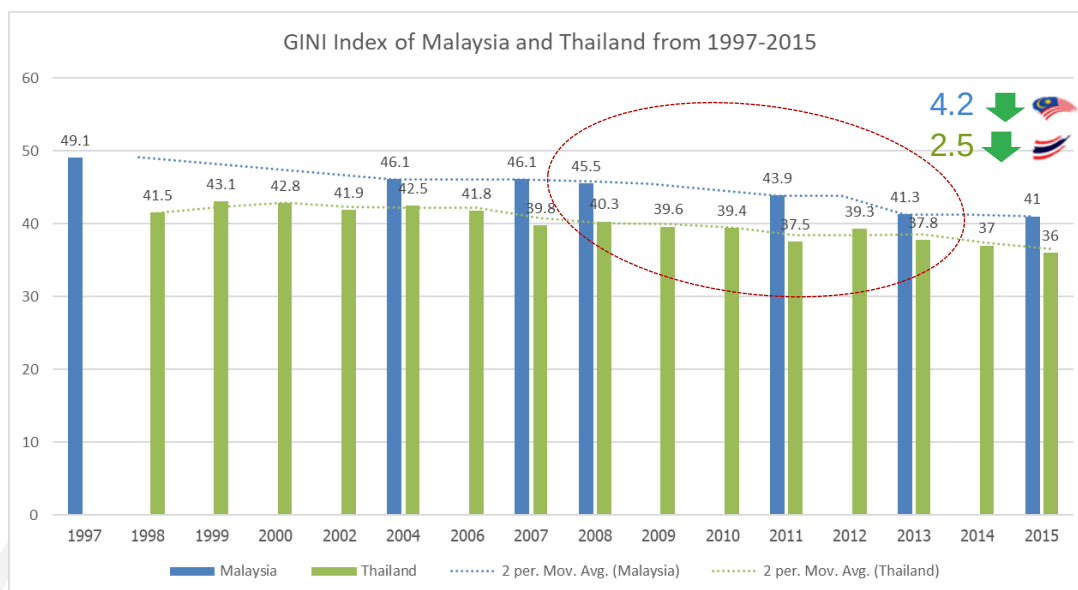


Figure 7.10 GINI Index

The International Labour Organisation or ILO (2006) highlights that income distribution and poverty reduction may have been discussed in the early NESDP, but the plans merely aim to boost economic growth. The ILO further stresses that “[u]ntil now there is no national economic policy on income distribution in any of the national economic and social development plans. The plans still pay attention to high economic growth, but not more equal income distribution.”

In 2018, it was announced by Kobsak Pootrakool, the former minister attached to the Prime Minister’s Office, that the new unit in charge of income disparity and poverty and evaluating the performance of the annual social welfare budget would be established under the NESDB, as indicated by Pootrakul in the following:

The cabinet on Tuesday approved a draft bill for the NESDC to replace the existing NESDB, with the goal of transforming the state planning unit into a think tank that shapes the country's long-term vision and mission...Mr Kobsak said the new unit will work closely with the Budget Bureau in monitoring the use of the annual state budget allocated to address income disparity and poverty. The new unit will be also tasked with conducting R&D to tackle such problems.

Compared to Malaysia, income equality, while widely discussed, is not the priority of the Thai government or of the NESDB. There are neither systematic institutions nor mechanisms to strengthen policy formation to tackle the problems. In addition, based on Pootrakul, it was reaffirmed that the NESDB lacks authority to handle budgeting, especially to address income disparity and poverty.

Although PEMANDU succeeded in the delivery of the government initiatives, the MP remained an instrumental channel of the government to promote human capital development. The HDI of UNDP measures a long and healthy life by looking at life expectancy at birth; access to knowledge measured by mean years of education among the adult population aged 25 years and older; access to learning and knowledge measured by expected years of schooling for children of school-entry age; and a decent standard of living measured by Gross National Income (GNI) per capita.

Between the 1990s and 2015, Malaysia's HDI in four areas incrementally yet steadily increased (United Nations Development Programme, 2016). The study of Ranis and Stewart (2000) found that the higher the income that households have, the more they spend on food and children's school and the use of health services. From 1997 to 2015 Malaysia made good progress in life expectancy and the infant mortality rate. From 2008 to 2017, Malaysia's HDI points increased from 0.761 to 0.802 or 0.034 points higher. Expenditure especially on education and health infrastructure development resulted in achievements in school enrolment and literacy (Ranis & Stewart, 2000). On the other hand, improvement in education influences other human development outcomes (Asadullah et al., 2019). Economic growth provides a favorable environment for improving HDI (Ranis and Stewart, 2000). While Thailand's HDI points increased from 0.714 to 0.755 or 0.027 points higher (United Nations Development Programme, 2016).

Expenditure-led strategy demonstrates that the EPU as the center of development budget allocation is in the "driver's seat" that pushes forward targeted policy. This reflects the relationship between the design of planning mechanisms that support the connection between plans and budget, and the significance of political stability, which can determine the continuity of policies and their executions.

The UNDP (2011) argues that the improvement of the HDI of Thailand in the early 2000s but sharply dropped in 2010 due to a remarked progress in other countries

in the region. Thailand's human development challenge lies in unequal access to and poor quality of education and enrolment. Regarding the provision of healthcare and its coverage, while having improved for 96.3% of the population that have access to health services, the fundamental problems are the distribution and quality of the services in urban and rural areas (United Nations Development Programme, 2011).

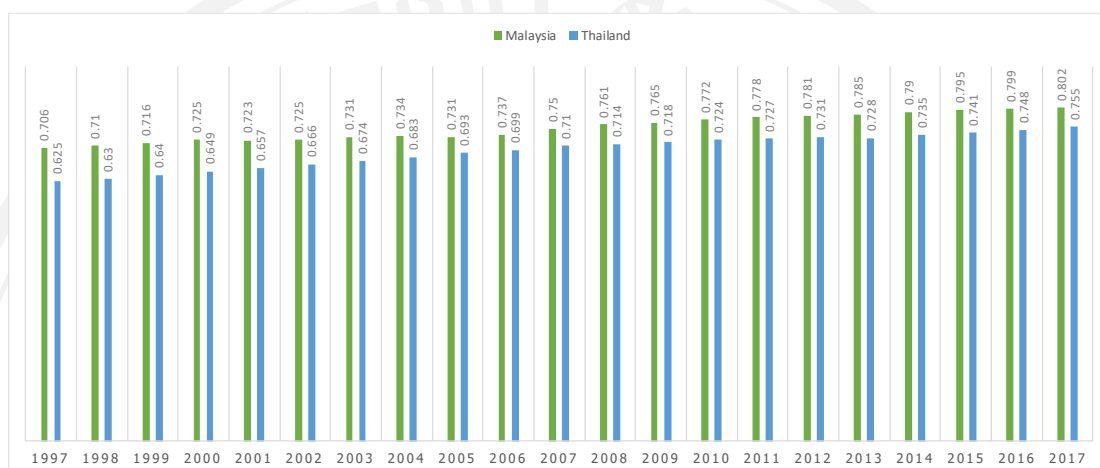


Figure 7.11 UNDP Human Development Index 1997-2017

Source: UNDP, 2011.

Malaysia's progress in economic and social development is influenced by political stability; the opposition party has never been able to successfully challenge the ruling party. The national agenda have been clear and steered by one party, with a determined vision to reduce inequality among the races while promoting a favorable environment for the private sector, which can advance the economy. Until the mid-2000s, the advancement of technology prevailed and the demand for participation in policymaking and clean politics became increasingly intense.

In order to understand more of both countries' outcomes, the competitiveness ranking conducted by the IMD was used for the analysis, as it provides a clearer picture of the countries' ability to create sustainable growth through the provision of good infrastructure such as roads, rail and air, human resource development, the living standard for their citizens, the business environment, public health and environmental management, and science, technology, and innovation development.

It was found that because the EPU could not effectively handle the increase of new stakeholders and actors after the 1997 financial crisis, special government bodies and advisors, including the NEACs, PEMUDAH, the fourth-floor boys, and private consultants, and PEMANDU then emerged. Some of them played a significant role in the steady improvement of national competitiveness. The evidence shows that since PEMUDAH was established in 2007 Malaysia's competitiveness has continuously increased from 23th out of 55 economies in 2007 to 18th out of 57 economies in 2009. Additionally, in 2010, just one year after PEMANDU was founded to drive and monitor business climate improvement, fighting corruption and streamlining government procedures, among seven other transformation efforts, Malaysia was placed 10th among 58 economies. The outstanding achievement was contributed to by government efficiency, which improved from 19th in 2009 to 10th in 2010 (Malaysia Productivity Cooperation, 2010). It was on the other hand a result of the continual attempts of PEMUDAH to enhance transparency and streamline business processes, which created a favorable environment for the ease of doing business in Malaysia. The major development in business efficiency was highlighted as a result of vigorous engagement and cooperation between the public and private sectors, where the latter was provided with an appropriate business climate. The business efficiency rank increased from 13th place in 2009 to 4th in 2010 (Malaysia Productivity Cooperation, 2010). The emphasis on fostering a favorable environment for business continued, which helped to accelerate the recovery from the 2008 Global Financial Crisis (Organization for Economic Co-operation and Development, 2016)

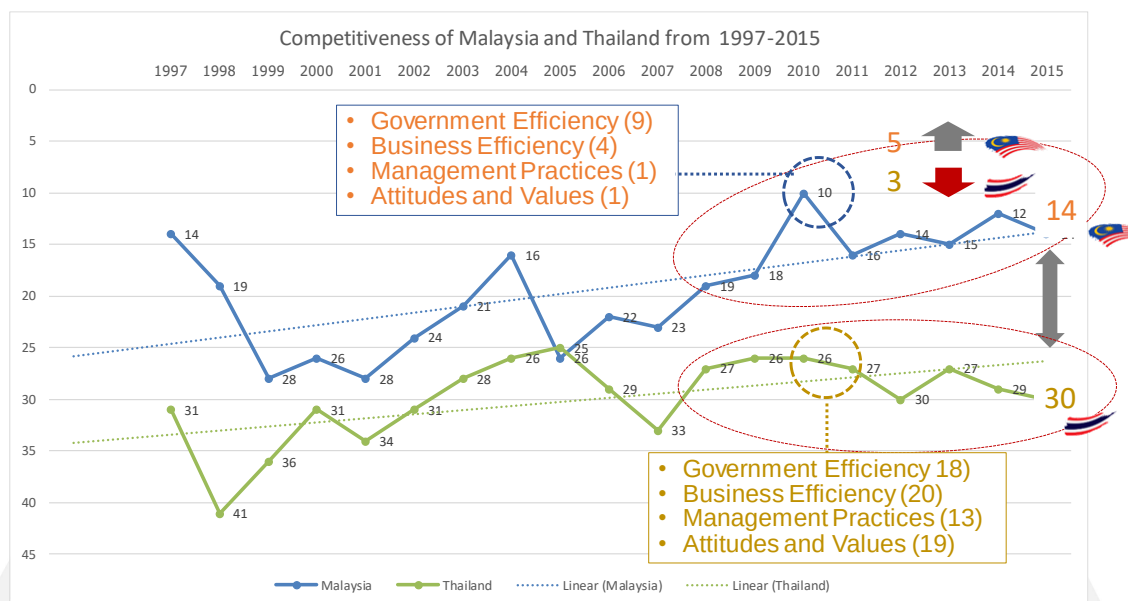


Figure 7.12 Competitiveness of Thailand and Malaysia from 1997-2015

Thailand's competitiveness situation in 2007 and 2010 demonstrates the relationship among planning capacity, political instability, and development outcomes. Both Thailand and Malaysia shared a similar growing trend of competitiveness in the late 1990s until Malaysia took off in 2004 and reached its peak in 2010. Competitiveness is a multidimensional measurement requiring continuance of government efforts and commitment to prudent macroeconomic management, and the reform of the economy, fiscal policy, and business regulations and the public sector that support a fair, open, and liberalized knowledge-driven economy. However, the governments in the late 2000s were engaged in political turmoil. Even though Thaksin introduced public reform and gave a mandate to the NESDB to be advised by Michael E. Porter in terms of competitiveness development, the country's competitiveness was not impressive. In 2007, Thailand reached almost the lowest position in the history of standing at 33rd because the previous year was about overthrowing Thaksin and the military coup. From that time the country had been in the midst of political unrest. In 2010 Thailand ranked 26th and continued on a downward trend to 30th in 2015. Due to the political instability and the political system, which is not in favor of a big party having influential power over the

executive branch and public administration, Thailand's competitiveness has fluctuated.

In short, the EPU with a robust institutional capacity enables governments to implement ongoing and or new policy. The Malaysian government has trust in the planning machinery and processes in which the development budget is a reliable apparatus for implementation. Compared to Thailand where there is high degree of government regime change, the NESDB, with low institutional capacity, is bypassed by governments. Social and economic development was not led by the NESDB. Thus, the capacity of the NESDB and development outcomes shows a negative relationship, whereas it has been confirmed that political instability has an influence on the changing degree of development implementation outcomes.

CHAPTER 8

CONCLUSION

8.1 Limitations of the Study

First, Malaysia and Thailand were chosen as a case study based on their similar characteristics in terms of level of economic development, social conditions, administrative system structure, and key executive central agencies. Nonetheless, this study does not take race, religion or culture into account, which it is believed could be an influential factor in the development planning and implementation.

Second, Bahasa Malaysia was a language barrier in terms of gaining a complete understanding of the entire context of the study.

Third, even though the present author's role as a researcher in Thailand and in Malaysia is fully disclosed at the work and research sites in Malaysia, the data collected may have been biased.

Fourth, the data collected and observed from the high ranking officials could have represented elite perceptions.

8.2 Conclusion of this Study

This study asks the question, "Why are the development outcomes of Malaysia better than those in Thailand in many areas, especially after the 1997 financial crisis?"

The development plan implementation model of this study, characterized by individual, organizational, and institutional capacity revealed that because the NESDB has lower development implementation capacity than the EPU the development outcomes are less advanced than those of Malaysia.

The EPU has significantly higher capacity than the NESDB at the institutional level in all areas, including institutional arrangements, institutional linkages, and stakeholder management. The EPU exercises its power from clear policies and

regulations to connect plans and implementations within a long-established planning machinery. Stakeholders, especially central executive agencies, implementing ministries, the private sector, and international development partners, are systematically incorporated and managed through the IAPGs and TWGs, which make the MP meaningful and implementable. However, the EPU still has not been able to effectively address concerns and gain the trust of think tanks, CSOs, or the general public because of its limited interaction capacity and unwillingness to work “on the ground.” Thanks to that strength of the EPU and the nature of unwavering politics that allow the continuance of national development priority, Malaysia has become successful in increasing its GDP per capita, reducing income inequality, and improving public sector efficiency. The national competitiveness also proves that the key foundation of country development is driven by a decades-old ruling government.

The NESDB capacity is far more fatigued than the EPU, institutionally and individually, and this results in planning not being a viable and effective means for guiding and implementing government intervention. The NESDB has lost its position as the center of planning activities. It has become “second fiddle” to the BoB, where the source of power is the annual budget act and money. The OPDC has become a clearing house for monitoring and evaluation, which has not yet integrated results-based management. It has fully utilized the authority given by the Royal Decree on Criteria and Procedures for Good Governance, B.E.2546 (2003). On the other hand, institutional linkages have not been strategically strengthened to enable acquisition of new knowledge for planning. Without the leadership of prime ministers and innovative organization design as in Malaysia, the help-fulfilling gap between plans and implementation, the NESDB’s five-year national plan remains a blueprint that is referred to by the implementing agencies but not consulted during program and project initiation.

In sum, it is suggested here that planning and implementation should be seamless. If the five-year planning practice is to be continued elsewhere, it must be performed within a well-defined hierarchical planning architecture and a well-designed planning machinery in which a planning organization has the authority to control the alignment of projects and programs; that is, whether or not they are devised by implementing ministries, elected politicians or stakeholders. Hence,

planning officials require greater interaction skill to maintain constructive dialogues in order to achieve effective planning, leading to realistic implementation.

8.3 Policy Implications

Although the nature of qualitative research is not to generalize the results, the policy implications offered in this study may be applied to planning agencies that share similar characteristics and environments in which they operate. In this section, policy implications specifically regarding the cases studied, namely the NESDB and EPU, are offered.

8.3.1 Policy Implications for the EPU

There are a number of things that can help improve the implementation of the MP, including monitoring and evaluation, and inter-agency coordination that is more humanistically oriented. Details are as follows.

8.3.1.1 Improve legal framework and the capacity of national monitoring and evaluation

The NBO has been a key player in developing evaluation capacity and strengthening budgeting and the evaluation framework. The ICU focuses on development projects, and the EPU concentrates on the “big picture of the plans.” PEMANDU’s way of work shows that complex public problems require the setting of clear goals and a straightforward monitoring and evaluation framework performed by a committed and robust clearing house. In addition, Malaysia’s OBB has been so far driven by a group of committed experts in the NBO. The EPU should increase its role in advancing the national plan outcome evaluation as it provides valuable input for the feasibility of programs and projects and enhances the capacity to anticipate implementation problems that are critical for budget preparation and fiscal management.

8.3.1.2 Continue to mainstream the lab Malaysia Plan and project formulation

Even though a lab may be appropriate for solving inter-coordination problems and service improvement, it can be applied to selected areas of policy that

have high priority to help connect micro to macro plans and perhaps bring some “fresh air” to policy. Moreover, the lab is a platform where think tanks and CSOs can be incorporated systematically into the planning. Having diversity in planning not only helps translating the plans into action but also promotes trust in the EPU and reinforces participation in policy decision-making in the future.

8.3.1.3 Improve Interaction Skill

Training that creates a positive mindset and the capacity to carry out stakeholder management should be available for EPU staff. The purpose has two prongs. First, stakeholder management should not be perceived as a process delaying planning as conflicting goals might happen. Second, stakeholder planning should be institutionalized. EPU staff members should be able to identify common problems and goals, and they should be able to document and respond to stakeholders’ questions, complaints, and concerns in a timely manner. The stakeholder engagement process should be adjustable to feedback. Most importantly, the EPU should acknowledge cultural differences and be able to perform stakeholder processes that demonstrate cultural sensitivity and commitment to balancing power relationships within the planning sphere.

8.3.1.4 Reinforce KM Culture

The passion about KM concerning the EPU depends on the leader of the organization. The director-general could bolster an environment that is less hierarchical in order to facilitate communication between senior and junior staff, and he or she could spend time interacting with the staff. Knowledge must be cultivated as an organization culture where the body of knowledge connects to the organization’s mission and goals, and must be connected to a capacity-building framework.

8.3.2 Policy Implications for the NESDB

8.3.2.1 Establish an NESDB Planning Procedure

The NESDB and BoB should together design planning procedures and necessary processes that establish a linkage between planning and budgeting. The processes and procedures should enable data sharing and information exchange among individuals and promote informal relationships that promote cordial cooperation.

8.3.2.2 Integrate Monitoring and the Evaluation Framework

The five-year plan, development programs and projects, and the organization and individual performance system should be designed in an integrative manner. Such a system could result a significant reduction of indicators, redundancy, and resources invested in the monitoring and reporting system. Different types of evaluation—from needs assessment, project evaluation, program evaluation, and implementation evaluation to performance evaluation should be clearly distinguished as they require different techniques, data, and skill sets. An efficient monitoring and evaluation system is also the cornerstone that would help to improve improving public finance and fiscal management. More importantly, the prime minister should appreciate the significance of evaluation and be committed to advancing integrated monitoring and a performance evaluation framework.

8.3.2.3 Improve Program Budgeting System

Currently the Thai budget system is project based and is neither a strategic program nor outcome-based budgeting. The BoB budgeting system should connect with the planning of the NESDB based on the performance evaluation of the OPDC. The BoB needs to work closely with the CGD to design a public spending acceleration system and measures that strengthen public spending efficiency in order to ensure growth and redistribution in a timely manner.

8.3.2.4 Change the Mindset and Culture

Institutional arrangements are necessary but not a sufficient condition to strengthen the connection between plans and implementations, especially regarding the facet of development where people are empowered to have the ability to choose what they want. Thus, it requires a mindset and culture change among the NESDB staff members so that they can see themselves as facilitators driving sustainable growth through unified planning and implementation. Bottom-up planning should be viewed as fundamental for development where participatory planning is a process in which problems and charting a course of action are analyzed in order to resolve those problems.

8.3.3 General Implications

In order to mainstream participatory planning in a humanistic manner, the mindset of planning officials has to be changed. It takes time but it is an ecosystem of public service human resource management and performance management and evaluation that must be systematically built. Individual capacity must match the approach of planning and the function of plans. If a country decides to take a conformance approach, then the capacity of the staff should concentrate on utilizing laws, regulations, and planning procedures and abilities to develop the supporting process. As such it will help to guarantee that a Plan will be consulted. However, if the five-year plan is communicative and has a performance-based orientation, then the stakeholders' management capacity and evaluation should be strengthened. Planning officials need to understand the factors and actors of a policy that enable outcomes and that make evaluation possible and closest to the actual consequences. If a planning organization decides to take an NPM-like approach, whether it be strategic planning or KM, it must be developed hand in hand with other parts of the organization's function, particularly in terms of human resource planning and development. The most important part is to develop the organization's culture and the mindset of the staff, particularly middle managers, so that they can apprehend the organization's situation and direction in which it is headed.

8.4 Adding to the Literature

First, this study confirms Pressman and Wildavsky's theory of implementation—that implementation should be an interconnected part of policy. Implementation failures caused by the complexity of joint actions could be minimized through legal structures in order to enhance compliance by implementing officials and target groups. On the other hand, this study contends Pressman and Wildavsky's notion—that a separate organization for implementing new programs cause another layer of decision-making. The Malaysia case shows that if a new organization is established and is filled with committed staff members with clearly-focused goals, programs, and robust support from the government, it can solve implementation problems.

Second, it has been in the present study that planning and implementation remain disconnected in Thailand. Thus, it is a lesson for developing countries that legal frameworks, planning machinery, institutions, and clear entry points for stakeholders and actors must be clearly established to ensure plan implementation effectiveness.

Third, it has also been confirmed that there are multi-goals, participants, and actors in implementation that make development plan implementation effectiveness difficult to evaluate by comparing the results with the objectives as proposed by the conformance-based approach. Rather, evaluation should be done based on a performance-based approach using a clear planning process and supporting institutional arrangements and the capacity of the planning officials and organizations that are the implementers of the planning and implementation as a measurement of effective implementation of the national plan.

8.5 Suggestions for Future Studies

First, the contextual factors that affect the changing approach of national planning from blueprint to participatory planning should be explored.

Second, as the NESDB has not adapted its institutional arrangement and organization planning policy, it would be of benefit to further investigate the factors influencing alternations of laws, regulations, and planning processes.

Three, more development outcomes could be further studied as it would advance the knowledge of what areas of development that national development plans are likely to achieve. This could help identify and prioritize development issues and budget allocation.

Fourth, introduced by the Prayuth government, Thailand currently has a 20-year National Strategy which adds another layer to the planning landscape. It is often argued by the government and high level officials involved in planning that this will serve as a long-term framework, preventing the elected government from introducing short-term policies. In the meantime, there is a growing trend in developing countries

to bring back long-term national plans. Further research could concentrate on the factors that are influential in this regard and whether there are any differences between semi-democratic and democratic countries.



BIBLIOGRAPHY

- Abbott, K. W., & Snidal, D. (1998). Why states act through formal international organizations. *Journal of Conflict Resolution*, 42(1), 3–32.
- Abdullah, N. R. W. (2010). Public sector reform in malaysia addressing the inequalities? In *The 28th International Congress of Administrative Sciences IIAS-IASIA*. Bali: University of Malaya.
- Ackoff, R. L. (1977). National development planning revisited. *Operations Research*, 25(2), 207–218.
- Adam, C., & Cavendish, W. (1995). Early privatizations. In J. K. Sundaram (Ed.), *Privatizing Malaysia: Rents, rhetoric, realities* (p. 281). New York: Westview.
- Agarwala, R. (1983). *Planning in Developing Countries Lessons of Experience*. World Bank Staff Working Papers (Management and Development Series No. 576). Retrieved from [uments.worldbank.org/curated/en/722521468741359076/Planning-in-developing-countries-lessons-of-experience3](http://documents.worldbank.org/curated/en/722521468741359076/Planning-in-developing-countries-lessons-of-experience3)
- Agranoff, R. (2008). Intergovernmental and network administration, accountability, and performance: symposium introduction. *Public Performance & Management Review*, 31(3), 315–319.
- Ahmad, S. B. H., & Nasrul, M. H. (2011). Programme/project evaluation: The malaysian experience. In *the Second International Conference on National Evaluation Capacities*. New York, NY: United Nations Development Programme.
- Akira, S. (2014). Technocracy and thaksinocracy in thailand: reforms of the public sector and the budget system under the Thaksin Government. *Southeast Asian Studies*, 3 (Special issue The Politics of Technocracy in Southeast Asia), 299–344.
- Alavi, M., & Leidner, D. E. (2001). Review: knowledge management and knowledge management systems: conceptual foundations and research issues. *MIS Quarterly*, 25(1), 107–136. doi.org/10.2307/3250961
- Alberto, A., Ozler, S., Roubini, N., & Swagel, P. (1996). Political instability and economic growth. *Journal of Economic Growth*, 1(2), 189–211.
- Alexander, E., & Faludi, A. (1989). Planning and plan implementation: Notes on

- evaluation criteria. *Environment and Planning B: Planning and Design*, 16(2), 127–140. doi.org/10.1068/b160127
- Alexander, E. R. (1993). Interorganizational coordination: theory and practice. *Journal of Planning Literature*, 7, 328–343.
- Al-Husain, Z. A. (1981). *development planning: a realistic approach for saudi arabia* (Doctoral dissertation). University of Northern Colorado, Greeley, CO.
- Alison, G. T. (1971). *Essence of decision: explaining the Cuban missile crisis*. New York, NY: Harper Collins.
- Allen-Meares, P., & Lane, B. A. (1990). Social work practice: integrating qualitative and quantitative data collection techniques. *Social Work*, 35(5), 452–458. doi.org/10.1093/sw/35.5.452
- Alvarez, B. (1994). Institutions and their context. In A. Benjamin, & H. Gómez (Eds.), *Laying the foundation*. Ottawa: International Development Research Centre.
- Amin, T. D. (1982). *The process of planning: a study of the effectiveness of indonesia's national development planning agencies 1952-1979* (Doctoral dissertation). University of Pittsburgh, Pittsburgh, PA.
- Anand, V., Glick, W. H., & Manz, C. C. (2002). Thriving on the knowledge of outsiders: Tapping organizational social capital. *Academy of Management Perspectives*, 16(1), 87–101. doi.org/10.5465/ame.2002.6640198
- Ariff, M., & Abubakar, S. Y. (1999). The malaysian financial crisis: economic impact and recovery prospects. *The Developing Economies*, 37(4), 417–438. doi.org/10.1111/j.1746-1049.1999.tb00241.x
- Asadullah, M. N., Mansor, N., & Savoia, A. (2019). *Explaining a development miracle': poverty reduction and human development in Malaysia since the 1970s* (GDI Working Paper 2019-038). Manchester.
- Ashraf, M. N. bin M. (2010). A new breed of civil servants. *The Star*.
- Ashshowwaf, S. A. (2001). Planning in developing countries. *Developmental Policy*, 7(2), 12-23.
- Asia Sentinel. (2008). In Malaysia, signs of government reform. Retrieved from <https://www.asiasentinel.com>
- Asian Development Bank. (2008). *Capacity assessment and capacity development in a*

- sector context tool kit*. Manila: Author.
- Asian Development Bank. (2019). Thailand and ADB. Retrieved from <https://www.adb.org/countries/thailand/main>
- Atkin, B., & Skitmore, M. (2008). Editorial: stakeholder management in construction. *Construction Management and Economics*, 26(6), 549–552. doi.org/10.1080/01446190802142405
- Badawi, A. A. (2006). Speech by the prime minsiter Yab Dato' Seri Abdullah Ahmad Badawi at the tabling of the the motion on the ninth Malaysia plan, 2006-2010 dewan rakyat, 31 March 2006 building a civilisation to elevate the nation's dignity. Retrieved from <https://www.skyscrapercity.com/threads/ninth-malaysia-plan-2006-2010-usd54-billion-rm220-billion.333086/page-2>
- Baer, W. C. (1997). General plan evaluation criteria: an approach to making better plans. *Journal of the American Planning Association*, 63(3), 329–344. doi.org/10.1080/01944369708975926
- Baker, J. L. (2000). *Evaluating the impact of development projects on poverty A handbook for practitioners*. Washington, DC: The International Bank for Reconstruction.
- Baser, H., & Morgan, P. (2008). *Capacity, change and performance study report*. Maastricht: ECDPM.
- Baum, H. S. (2016). Politics and ambivalence in planners' practice. *Journal of Planning Education and Research*, 3(1), 13–22.
- Beijerse, R. P. (1999). Questions in knowledge management: defining and conceptualising a phenomenon. *Journal of Knowledge Management*, 94–109.
- Bhagavan, M. R., & Virgin, I. (2004). *Generic aspects of institutional capacity development in developing Ccountries*. Stockholm: Stockholm Environment Institute.
- Blöndal, J. R. and Kim, S.-I. (2006). Budgeting in Thailand. *OECD Journal on Budgeting*, 5(3), 7–36.
- Bowen, G. A. (2009). Document analysis as a qualitative research method. *Qualitative Research Journal*, 9(2), 27–40.
- Bowornwathana, B. (2004). Thaksin's model of government reform: prime

- ministerialisation through “a country is my company” approach. *Asian Journal of Political Science*, 12(1), 135–153.
- Brenman, M., & Sanchez, T. W. (2012). *Planning as If people matter : Governing for social equity*. Washington, DC: Island.
- Brody, S. D., & Highfield, W. F. (2005). Does planning work?: testing the implementation of local environmental planning in Florida. *Journal of American Planning Association*, 71(2 (Spring)).
- Brown, D. R., Govindasamy, J., Loo, C., & Taliercio, R. R. (2017). *Primer on Malaysia's experience with national development planning*. Washington DC.: Worldbank.
- Brown, G. K., Ali, S. H., & Muda, W. M. W. (2004). *Policy Levers in Malaysia*. Oxford: s.l.
- Brumby, J. (2010). *Implementing the outcomes-based approach in Malaysia*. Washington DC: s.l.
- Bryson, J. M. (2018). *Strategic planning for public and nonprofit organizations* (5th ed.). New Jersey: John Wiley & Sons.
- Burby, R. J. (2003). Making plans that matter: Citizen involvement and government action. *Journal of the American Planning Association*, 69(1), 33–49.
- Burby, R. J., & May, P. J. (1997). *Making governments plan: State experiments in managing land use*. Baltimore: Johns Hopkins University Press.
- The Bureaucratic Restructuring Act B.E. 2545. (2002). The Bureaucratic Restructuring Act B.E. 2545.
- Bussière, M., & Mulder, C. (2000). Political instability and economic vulnerability. *International Journal of Finance & Economics*, 5, 309-333.
- Caiden, N., & Wildavsky, A. (1974). *Planning and budgeting in poor countries*. New York: Wiley-Interscience.
- Chambers, R. (2007). Participation and poverty. *Development*, 50(2), 20–25.
- Cho, J., & Trent, A. (2006). Validity in qualitative research revisited. *Qualitative Research*, 6(3), 319–340. doi.org/10.1177/1468794106065006
- Choi, B. C. K., & Pak, A. W. P. (2007). Multidisciplinarity, interdisciplinarity, and transdisciplinarity in health research, services, education and policy: 2.

- Promotors, barriers, and strategies of enhancement. *Clin Invest Med*, 30(6), 224–232.
- Col, J.-M., Holzer, M., Posner, P., & Rubin, M. (2006). *Results-based management in Thailand evaluation report*. Bangkok: s.l.
- Creswell, J. W. (1998). *Qualitative inquiry and research design: choosing among five traditions*. California: Sage.
- Daft, R. L. (2016). *Organization theory and design* (12th ed.). Boston: Cengage Learning.
- Dahlan, D. Z. (2017). National development planning practices in Malaysia. Retrieved from <https://docplayer.net/23235094-National-development-planning-practices-in-malaysia.html>
- Davidoff, P., & Reiner, T. (1962). A Choice theory of planning. *Journal of the American Institute of Planners*, 28(2), 103–115.
- Davies, D., & Dodd, J. (2002). Qualitative research and the question of rigor. *Qualitative Health Research*, 12(2), 279–289. doi.org/10.1177/104973230201200211
- Dervis, K., Melo, J., & Robinson, S. (1982). *General equilibrium models for development policy*. Washington, DC: s.l.
- Development, U. S. A. for I. (2012). *Organizational capacity assessment for community-based organizations*. Boston: John Snow.
- Dhiravegin, L. (1988). Demi–democracy and the Market Economy: The Case of Thailand. *Southeast Asian Journal of Social Science*, 16(1), 1–25.
- Donaldson, T., & Preston, L. E. (1995). The stakeholder theory of the corporation: concepts, evidence, and implications. *The Academy of Management Review*, 20(1), 65–91. doi.org/10.2307/258887
- Doner, R. F. (2009). *The politics of uneven development thailand's economic growth in comparative perspective*. New York: Cambridge University Press.
- Dyson, R. G. (2004). Strategic development and SWOT analysis at the University of Warwick. *European Journal of Operational Research*, 152(3), 631–640. doi.org/https://doi.org/10.1016/S0377-2217(03)00062-6
- Edwards, M. (1989). The irrelevance of development studies. *Third World Quarterly*,

11(1), 116–135.

Eisenhart, M. M., & R., K. H. (1992). Validity in educational research. In M. D.

LeCompte, W. L. Millroy, & J. Preissle (Eds.), *The Handbook of qualitative research in education* (pp. 642–680). San Diego: Academic.

Ellman, M. (1983). Changing views on central economic planning: 1958 -1983.

The AECS Bulletin, XXI(1), 11–29.

Elmore, R. F. (1978). Organizational models of social program implementation. *Public Policy*, 26(2), 185–228.

Elo, Satu and Kyngäs, H. (2008). The qualitative content analysis process. *Journal of Advanced Nursing*, 62(1), 107–115.

EvalPartners. (2016). Malaysian framework for evaluation policy and standards evaluation for sustainability. Retrieved from [https://www.evalpartners.org/sites/default/files/documents/p2p/SGP15-10/MALAYSIAN FRAMEWORK FOR EVALUATION POLICY AND STANDARDS - MyFEPS - Evaluation for Sustainability.pdf](https://www.evalpartners.org/sites/default/files/documents/p2p/SGP15-10/MALAYSIAN%20FRAMEWORK%20FOR%20EVALUATION%20POLICY%20AND%20STANDARDS%20-%20MyFEPS%20-%20Evaluation%20for%20Sustainability.pdf)

Farrington, J. (1997). The role of nongovernmental organizations in extension.

In B. E. Swanson, R. P. Bentz, & A. J. Sofranko (Eds.), *Improving agricultural extension: A reference manual*. Rome: Food and Agriculture Organization of the United Nations. Retrieved from <http://www.fao.org/3/w5830e0p.htm>

Feng, Y. (1997). Democracy, political stability and economic growth. *British Journal of Political Science*, 27(3), 391–418.

Finley, L., & Ballinger, C. (2006). *Qualitative research for allied health professionals: Challenging choices*. London: John Wiley & Sons.

Fischer, F. & Forester, J. (1993). *The Argumentative turn in policy analysis and planning*. London: UCL.

Freeman, R. E. (2010). *Strategic management: A stakeholder approach*. Cambridge University Press.

Friedmann, J. (1989). Planning in the public domain: discourse and praxis. *Journal of Planning Education and Research*, 8 (2), 128-130.

Friedmann, J. (2011). *Insurgencies essays in planning theory*. Oxon: Routledge.

Galloway, I. D. (1990). Strategic management in public sector research organisations: A

- critical review. *International Journal of Public Sector Management*, 3(1), 5–24.
- Gill, I. S., & Kharas, H. (2015). *The Middle-Income Trap Turns Ten*. Washington DC: World Bank.
- Golafshani, N. (2003). Understanding reliability and validity in qualitative research. *The Qualitative Report*, 8(4), 597–607.
- Gomez, E. T., & Sundaram, J. K. (1998). Authoritarianism, elections and political change in Malaysia. *Public Policy*, July/Sept.
- Gomez, H. (1994). Institutions of knowledge as formal organizations: An initial balance. In A. Benjamin, & H. Gómez (Eds.), *Laying the foundation*. Ottawa: International Development Research Centre.
- Graham, K. (2016). Strategic plans are less important than strategic planning. Retrieved from <https://hbr.org/%09%092016/06/strategic-plans-are-less-important-than-strategic-planning>
- Guillermo, O. (1978). Reflections on the patterns of change in the bureaucratic-authoritarian state. *Latin American Research Review*, 13(1), 3–38.
- Hakim, A. R. (2001). Income inequality, poverty and development policy in Malaysia. Retrieved from https://www.researchgate.net/profile/Roslan_Abdul-Hakim/publication/252953691_Income_Inequality_Poverty_and_Development_Policy_in_Malaysia/links/543fe7a90cf2be1758cff03b.pdf
- Hall, R. H., & Quinn, R. E. (1983). *Organizational theory and public policy*. Washington DC: SAGE.
- Healey, P. (1992). Planning through debate: The communicative turn in planning theory. *The Town Planning Review*, 63(2), 143–162. Retrieved from <http://www.jstor.org/stable/40113141>
- Healey, P. (1996). The communicative turn in planning theory and its implications for spatial strategy formation. *Environment and Planning B: Planning and Design*, 23(2), 217–234. doi.org/10.1068/b230217
- Healey, P., McDougall, G., & Thomas, M. J. (2008). Planning theory Prospect for the 1980s. In P. Hillier, & J. Healey (Eds.), *Foundations of the Planning Enterprise*. London: Routledge.
- Heikkila, T., Schlager, E., & Davis, M. W. (2011). The role of cross-scale institutional

- linkages in common pool resource management: Assessing interstate river compacts. *The Policy Studies Journal*, 39(1), 121–145.
- Henderson, J., Hulme, D., Phillips, R., & Nur, N. A. M. (2002). *Economic governance and poverty reduction in Malaysia*. S.l.: Department for International Development.
- Herberg, M. E. (1981). Politics, planning and capitalism: national economic planning in France and Britain. *Political Studies*, 29(4), 497–516.
- Hewison, K. (2010). Thaksin Shinawatra and the reshaping of Thai politics. *Contemporary Politics*, 16(2), 119–133.
- Hillman, A., Keim, G., & Luce, R. (2001). Board composition and stakeholder performance: Do stakeholder directors make a difference? *Business & Society - BUS SOC*, 40, 295–314. doi.org/10.1177/000765030104000304
- Hoch, C. J. (2002). Evaluating plans pragmatically. *Planning Theory*, 1(1), 53–75.
- Hofer, C. W., & Schendel, D. (1979). *Strategic management: A new view of business policy and planning*. Boston: Little, Brown. Retrieved from <https://books.google.co.th/books?id=DbN-zQEACAAJ>
- Hopkins, L. D. (2001). *Urban development: The logic of making plans*. Washington, DC: Island.
- Hörisch, J., Freeman, R., & Schaltegger, S. (2014). Applying stakeholder theory in sustainability management. Links, similarities, dissimilarities, and conceptual framework. *Organization & Environment*. doi.org/10.1177/1086026614535786
- Hsieh, H.-F., & Shannon, S. E. (2005). Three approaches to qualitative content analysis. *Qualitative Health Research*, 15(9), 1277–1288.
- Hunter, M. (2013). Who makes public policy in Malaysia? Retrieved from <https://www.tnp.no/norway/global/3540-who-makes-public-policy-in-malaysia>
- Hussin, F., & Ching, C. W. (2013). The contribution of economic sectors to economic growth: the cases of Malaysia and China. *International Journal of Academic Research in Economics and Management Sciences*, 2(2).
- Inkpen, A. C., & Tsang, E. W. K. (1995). Social capital, networks, and knowledge transfer. *The Academy of Management Review*, 30(1), 146–165.
- Inkpen, A. C., & Tsang, E. W. K. (2005). Social capital, networks, and knowledge

- transfer. *The Academy of Management Review*, 30(1), 146–165. doi.org/10.2307/20159100
- Innes, J. (2013). A turning point for planning theory?: Overcoming dividing discourses (UC Berkeley IURD Working Paper Series). Retrieved from <https://iurd.berkeley.edu/wp/2013-04.pdf>
- Innes, J. E., & Booher, D. E. (1999). Consensus building as role playing and bricolage. *Journal of the American Planning Association*, 65(1), 9–26.
- Innes, J. E., & Gruber, J. (2005). Planning styles in conflict: The metropolitan transportation commission. *Journal of the American Planning Association*, 71(2).
- International Business Publications. (2015). *Malaysia recent economic and political developments yearbook* (Vol. 1). Washington DC: International Business Publications.
- International Livestock Research Institute. (1995). Livestock policy analysis. ILRI training manual. Retrieved from <http://www.fao.org/wairdocs/ilri/x5547e/x5547e00.htm#Contents>
- International Monetary Fund. (2015). *IMF Country Report No. 15/266 Malaysia Technical Assistance Report—Strengthening Outcome Based Budgeting*. Washington DC: Author.
- Jeshurun, C. (1993). Malaysia The mahathir supremacy and vision 2020. *Southeast Asian Affairs*, 203–223.
- Jitsuchon, S. (n.d.). Thailand's economic growth: A fifty-years perspective (1950-2000). Retrieved from <http://econ.tu.ac.th/class/archan/RANGSUN/EC 460/EC 460 Readings/Thai Economy/Structure of Thai Economy/Thailand's Economic Growth 1950-2000.pdf>
- Joaquim, V., & Canales, I. (2008). Can strategic planning make strategy more relevant and build commitment over times? The case of RACC. *Long Range Planning*, 41, 273–290.
- Johnson, R. (1997). Examining the validity structure of qualitative research. *Educ*, 118.
- Kádár, B. (1969). Economic plans and problems of their implementation in developing countries. *Acta Oeconomica*, 4(3), 315–321.

- Karnpisit, T. (1999). *Vision for national planning in the new millennium*. Bangkok: NESDB.
- Provan, K. G., & Milward, H. B. (2001). Do networks really work? A framework for evaluating public-sector organizational networks. *Public Administration Review*, 61 (4), 414–423. doi.org/10.1111/0033-3352.00045.
- Kennedy, J. C. (2002). Leadership in Malaysia: Traditional values, international outlook. *The Academy of Management Executive (1993-2005)*, 16(3), 15–26.
- Keong, C. Y. (2006). Behind Malaysia's "Miracle": A veblenian perspective on mahathir's era of economic modernization. *Journal of Economic Issues*, 40(4), 861–874.
- Khalid, K., & Abidin, M. (2014). Technocracy in Economic Policy-Making in Malaysia. *Southeast Asian Studies*, 3, 383–413.
- Koike, O. (2013). Institutionalizing performance management in Asia: looking East or West? *International Journal of Public Sector Management*, 26(5), 347–360.
- Kopetzky, A. D. (2011). *Measuring and evaluating citizen participation in the program planning, development, and implementation process* (Doctoral dissertation). University of Nebraska at Omaha, Omaha, NE.
- Kriemadis, T., & Elena, T. (2007). Strategic planning models in public and non-profit sport organizations. *Choregia*, 3.
- Lane, P., & Lubatkin, M. (1998). Relative absorptive capacity and interorganizational learning. *Strategic Management Journal*, 19, 461–477. doi.org/10.1002/(SICI)1097-0266(199805)19:5<461::AID-SMJ953>3.3.CO;2-C
- Lauber, T. B. (1999). Measuring fairness in citizen participation: a case study of moose management. *Society & Natural Resources*, 12(1), 19–37. doi.org/10.1080/089419299279867
- Laurian, L. (2007). Deliberative planning through citizen advisory boards: five case studies from military and civilian environmental cleanups. *Journal of Planning Education and Research*, 26(4), 415–434. doi.org/10.1177/0739456X06298819
- Laurian, L., Day, M., Backhurst, M., Berke, P., Ericksen, N., Crawford, J., & Chapman, S. (2004). What drives plan implementation? Plans, planning agencies and developers. *Journal of Environmental Planning and Management*, 47(4), 555–

577.

Laurian, L., Day, M., Berke, P., Ericksen, N., Backhurst, M., Crawford, J., & Dixon, J. (2004). Evaluating plan implementation: a conformance-based methodology. *Journal of the American Planning Association*, 70(4), 471–480.
doi.org/10.1080/01944360408976395

Léauté, F. A. (2011). The future of Africa is now! The critical role of capacity development. *World Journal of Science, Technology and Sustainable Development*, 8(2/3), 137–152.

Lee, C. (2013). Malaysia's GE13: A tale of two manifestos. *ISEAS Perspective*, 24.

Lee, C. (2018a). Are five-year development plans passé in Malaysia? *ISEAS Perspective*, 13(2018), 1–11.

Lee, C. (2018b). Making sense of Malaysia's Institutional Reforms. *ISEAS Perspective*, 79, 1–11.

Lee, C., & Lee, C.-G. (2017). The evolution of development planning in Malaysia. *Journal of Southeast Asian Economies*, 34(3), 436–461.

Lincoln, Y. S., & Guba, E. G. (1985). *Naturalistic inquiry*. Newbury Park: SAGE.

Lusthaus, C., Anderson, G., & Murphy, E. (1995). *Institutional assessment A framework for strengthening organizational capacity for IDRC's research partner*. Ottawa: International Development Research Centre.

Lyer, D. (2011). Tying performance management to service delivery: public sector reform in Malaysia, 2009 – 2011. Retrieved from <https://successfulsocieties.princeton.edu/publications/tying-performance-management-service-delivery-public-sector-reform-malaysia-2009-2011>

Maektrairat, N. (2008). Reforms of the public sector under the Thaksin regime. In Oshifumi T., & Tsuruyo F. (Eds.), *Thailand in motion: Political and administrative changes, 1991–2006* (pp. 203–235). Chiba: JETRO Institute of Developing Economies.

Malaysia Productivity Cooperation. (2010). Malaysia in the IMD world competitiveness yearbook. Retrieved from <http://www.mpc.gov.my/pemudah/wp-content/uploads/sites/21/2017/01/9-Malaysia-In-The-IMD-World-Competitiveness-Yearbook-2010-WCY-2010.pdf>

- Manaf, N. H. A. (2011). Civil service system in Malaysia. In E. M. Berman (Ed.), *Public Administration in Southeast Asia Thailand, Phillipines, Malaysia, Hong Kong, and Macao*. Boca Raton: CRC Press Taylor & Francis Group.
- Marshall, M. N. (1996). Sampling for qualitative research. *Oxford University Press*, 13(6), 522–525.
- Mastop, H., & Faludi, A. (1997). Evaluation of strategic plans: The performance principle. environment and planning. *Urban Analytics and City Science*, 24(6), 815–832.
- Matachi, A. (2006). *Capacity building framework*. Addis Ababa: United Nations Economic Commission for Africa.
- Mauzy, D. K., & Milne, R. S. (2000). *Malaysian politics under mahathir*. New York: Routledge.
- Maxwell, S. and Conway, T. (2000). New approach to planning (No. 14). Retrieved from <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/2237.pdf>
- McConnel, S. (1981). *Theories for planning*. London: William Heinemann.
- Mietzner, M. (2013). *Money, power, and ideology*. Singapore: NUS Press. doi.org/10.2307/j.ctv1nthsj
- Miller, D. S., & Rivera, J. D. (2011). Guiding principles: Rebuilding trust in government and public policy in the aftermath of hurricane katrina. *Journal of Critical Incident Analysis, Fall*, 22–32.
- Milward, H. B., & Rainey, H. G. (1983). Don't blame the bureaucracy! *Journal of Public Policy*, 3(2), 149–168.
- Minonne, C. (2007). Towards an 'integrative' approach for managing implicit and explicit knowledge: An exploratory study in Switzerland. In *the 8th European Conference on Knowledge Management*. Barcelona.
- Minonne, C., & Turner, G. (2009). Evaluating knowledge management performance. *Electronic Journal of Knowledge Management*, 7(5), 583–592.
- Mishler, E. (2000). Validation in inquiry-guided research: The role of exemplars in narrative studies. In J. G. Brizuela, Bárbara M., J. P. Stewart, R. G. Carrillo, & Berger (Eds.), *Acts of inquiry in qualitative research*. Cambridge: Harvard

Education Press.

Mohamad, M. (1991). Vision 2020. Retrieved from <https://www.pmo.gov.my/vision-2020/malaysia-as-a-fully-developed-country/>

Monahan, K. E. (2013). *The government manager's guide to strategic planning*. Retrieved from <https://books.google.co.th/books?id=moyuBwAAQBAJ>

Morgan, P. (1998). Capacity and capacity development - some strategies. Retrieved from http://nsagm.weebly.com/uploads/1/2/0/3/12030125/strategies_for_capacity_development_cida_1998.pdf

Morgan, P. (2006). The concept of capacity. Retrieved from <https://ecdpm.org/wp-content/uploads/2006-The-Concept-of-Capacity.pdf>

Morra-Imas, L., & Rist, R. C. (2009). *The road to results designing and conducting effective development evaluation*. Washington DC: World Bank Group.

Moser, C. O. N. (1993). *Gender planning and development theory, practice and training*. London: Routledge.

Narasimhan, A. T., & Pillai, A. (2018). A paradigm shift in public service delivery: The Malaysian PEMANDU. *E- Journal of World Academy of Art&Science*, 2(5), 114–138.

Nong, M. B. (1986). *A Comparative effectiveness study of municipalities as local planning authorities in Malaysia* (Doctoral dissertation). University of Washington, Seattle, WA.

North, D. C. (1994). Economic performance through time. *The American Economic Review*, 84(3), 359–368. Retrieved from <http://www.jstor.org/stable/2118057>

Office of the National Economic and Social Development Board. (2002a). *Annual report 2002*. Bangkok: Petchrung.

Office of the National Economic and Social Development Board. (2002b). *Ninth plan the people's edition*. Bangkok: Author.

Office of the National Economic and Social Development Board. (2006a). *Knowledge management development plan*. Bangkok: Author.

Office of the National Economic and Social Development Board. (2006b). *NESDB knowledge management plan 2006*. Bangkok: Author.

Office of the National Economic and Social Development Board. (2012). *Economic*

- outlook*. Retrieved from [https://www.nesdc.go.th/article_attach/Press Thai Q4-2012.pdf](https://www.nesdc.go.th/article_attach/Press%20Thai%20Q4-2012.pdf)
- Office of the National Economic and Social Development Board. (2013). *NESDB Strategic Plan 2013- 2017*. Bangkok: Author.
- Office of the National Economic and Social Development Board. (2017). *Annual Report 2017*. Bangkok: Amarin.
- Office of the National Economic and Social Development Board. (2018). *Twelfth Plan the People's Edition*. Bangkok: Author.
- Office of the National Economic and Social Development Board. (2020). Economic and social data. Retrieved from [https://www.nesdc.go.th/ewt_dl_link.php ?nid=3518](https://www.nesdc.go.th/ewt_dl_link.php?nid=3518)
- Organization for Economic Co-operation and Development. (2016). *OECD Economic Surveys Malaysia Economic Assessment*. S.l.: Author.
- Orr, S. K. (2014). *Environmental policymaking and stakeholder collaboration: theory and practice*. New York: CRC Press.
- O'Toole, L. J., & Meier, K. J. (2011). *Public Management Organizations, Governance, and Performance*. New York: Cambridge University Press.
- Ozawa, C. P., & Seltzer, E. P. (1999). Taking Our Bearings: Mapping a Relationship Among Planning Practice, Theory, and Education. *Journal of Planning Education and Research*, 18(3), 257–266. doi.org/10.1177/0739456X9901800307
- Papoutsaki, E. (2006). Global colloquium of the UNESCO forum on higher education, research & knowledge. In *De-westernising research methodologies: alternative approaches to research for higher education curricula in developing countries*. Paris. Retrieved from [https://www.survey.unitec.ac.nz/bitstream/handle/10652/1502/Papoutsaki - De-Westernising.pdf?sequence=1&isAllowed=y](https://www.survey.unitec.ac.nz/bitstream/handle/10652/1502/Papoutsaki%20-%20De-Westernising.pdf?sequence=1&isAllowed=y)
- Patton, M. Q. (1990). *Qualitative evaluation and research methods* (2nd ed.). Thousand Oaks, CA: SAGE.
- Patton, M. Q. (2001). *Qualitative research & evaluation methods*. Saint Paul: SAGE.
- Perrini, F., & Tencati, A. (2006). Sustainability and stakeholder management: the need for new corporate performance evaluation and reporting systems. *Business*

- Strategy and the Environment*, 15(5), 296–308. doi.org/10.1002/ bse.538
- Peters, G. B. (1998). Managing horizontal government: the politics of co-ordination. *Public Administration*, 76, 295–311.
- Poister, T. H., & Streib, G. D. (1999). Strategic management in the public sector: concepts, models, and processes. *Public Productivity & Management Review*, 22(3), 308–325.
- Polk, M. (2011). Institutional capacity-building in urban planning and policy-making for sustainable development: success or failure? *Planning Practice & Research*, 26(2), 185–206.
- Poocharoen, O. (2005). *Comparative public management reform: Cases of policy transfer in Thailand and Malaysia* (Doctoral dissertation). Syracuse University, Syracuse, NY.
- Post, J. E., Preston, L. E., & Sachs, S. (2002). Managing the extended enterprise: the new stakeholder view. *California Management Review*, 45(1), 6–28. doi.org/10.2307/41166151
- Pressman, J. L., & Wildavsky, A. (1973). *Implementation: How great expectations in Washington are Dashed in Oakland*. London: University of California Press.
- Pungprawat, K. (2009). Budgeting system and bureau of the budget in Thailand. *Chulalongkorn Journal of Economics*, 21(1), 49–71.
- Punyaratabandhu, S. (1998). Thailand in 1997: financial crisis and constitutional reform. *Asian Survey*, 38(2), 161–167.
- Qu, S. Q., & Dumay, J. (2011). The qualitative research interview. *Qualitative Research in Accounting & Management*, 8(3), 238–264.
- Rabiee, F. (2004). Focus Group interview and data analysis. *The Proceedings of the Nutrition Society*, 63, 655–660. doi.org/10.1079/PNS2004399
- Radu, M. (2015). Political stability - a condition for sustainable growth in Romania? In *3rd Economics & Finance Conference* (pp. 751–757). London.
- Raichur, S. (1973). Implementation Problems of Economic Development Plans. *Africa Today*, 20(2), 67–75.
- Ramanujam, V., Venkatraman, N., & Camillus, J. C. (1986). Multi-objective assessment of effectiveness of strategic planning: A discriminant analysis approach. *The*

- Academy of Management Journal*, 29(2), 347–372. doi.org/ 10.2307/256192
- Ranis, G., & Stewart, F. (2000). Strategies for success in human development. *Journal of Human Development*, 1(1).
- Reeves, D. (2016). *Management skills for effective planners*. New York: Palgrave Macmillan.
- Ripert, J. (1967). The Implementation of the French Plans. *Ekistics*, 23(138), 276–279.
- Robbins, S. (1987). *Organization theory: Structure design and applications* (2nd ed.). New Jersey: Prentice- Hall.
- Robbins, S. (2011). *Organization theory: Structure design and applications*. Bangkok: Pearson Education Indochina.
- Rudolph, T. J., & Evans, J. (2005). Political trust, ideology, and public support for government spending. *American Journal of Political Science*, 49(3), 660–671. doi.org/10.1111/j.1540-5907.2005.00148.x
- Ruscio, K. P. (1996). Trust, democracy, and public management: a theoretical argument. *Journal of Public Administration Research and Theory*, 6(3), 461–477. doi.org/10.1093/oxfordjournals.jpart.a024321
- Sartorio, F. S., Thomas, H., & Harris, N. (2017). Interpreting planners' talk about change: An exploratory study. *Planning Theory*, 17(4), 605–627. doi.org/10.1177/1473095217742183
- Sawyer, G. C. (1976). National Planning for Goals, Not Plans. *Planning Review*, 4(5), 17–24.
- Schon, D. A., Cremer, N. S., Osterman, P., & Perry, C. (1976). Planners in transition: Report on a survey of alumni of M.I.T.'s Department of Urban Studies, 1960–71. *Journal of the American Institute of Planners*, 42(2), 193–202.
- Seale, C. (1999). Quality in qualitative research. *Qualitative Inquiry*, 5(4), 465–478. doi.org/10.1177/107780049900500402
- Seers, D. (1969). The meaning of development. *IDS Communication*, 44.
- Seltzer, E., & Ozawa, C. P. (2002). Clear signals: Moving on to planning's promise. *Journal of Planning Education and Research*, 22(1), 77–86. doi.org/10.1177/0739456X0202200107
- Shepherd, B. (2010). Political stability: Crucial for growth? *LSE IDEAS Strategic*

Update, 8–11.

- Shropshire, C., & Hillman, A. J. (2007). A longitudinal study of significant change in stakeholder management. *Business & Society*, 46(1), 63–87. doi.org/10.1177/0007650306295753
- Siamwalla, A. (2000). Anatomy of the Thai Economic Crisis. Retrieved from <http://tdri.or.th/wp-content/uploads/2013/04/anatomy.pdf>
- Siddiquee, N. A. (2002). Administrative reform in Malaysia: Recent trends and developments. *Asian Journal of Political Science*, 10(1), 105–130.
- Siddiquee, N. A. (2014). Malaysia's government transformation programme: A preliminary assessment. *Intellectual Discourse*, 22(1), 7–31.
- Sirisumphand, T. (2019). National development strategies. In *Third annual meeting of the mutual learning group for multidimensional country reviews*. Paris: s.l.
- Sivalingam, G. (2013). The second phase of Malaysia's "Look East Policy." *ISEAS Perspective*, 48, 1–8.
- Stolyarenko, K. (2014). National evaluation policy in Malaysia, Parliamentarians forum for development evaluation. Retrieved from <http://betterevaluation.org/node/add/resources>
- Stone, C. (1980). A review of national planning in developing countries. *Social and Economic Studies*, 29(4), 175–201.
- Sturdivant, F. D. (1979). Executives and activists: Test of stakeholder management. *California Management Review*, 22(1), 53–59. doi.org/10.2307/41164849
- Szwajkowski, E. (2000). Simplifying the principles of stakeholder management: the three most important principles. *Business & Society*, 39(4), 379–396. doi.org/10.1177/000765030003900403
- Talen, E. (1996). Do plans get implemented? a review of evaluation in planning. *Journal of Planning Literature*, 10(3), 248–259.
- Tan, S. (1990). The rise of state authoritarianism in Malaysia. *Bulletin of Concerned Asian Scholars*, 22(3), 32–42.
- Teil, K. B. (1997). Economic vision and political opposition in Malaysia, 1981–96: The Politics of the Mahathir Era. *Copenhagen Journal of Asian Studies*, 12, 9–34.
- Terence, E. G., & Kwame Sundaram, J. (1998). Authoritarianism, elections and political

- change in Malaysia. *Public Policy*, July/Sept, 113–144.
- Theparat, C. (2018). New unit under NESDB to handle inequality. *Bangkokpost*. Retrieved from <https://www.bangkokpost.com>
- Theparat, C. (2019). New name, new game for think tank. *Bangkok Post*. Retrieved from <https://www.bangkokpost.com/>
- Thompson, J. (1967). *Organizations in action*. New York: McGraw Hill.
- Trezzini, B. (2001). Institutional foundations of Malaysia's state capacity. *Asian Journal of Public Administration*, 23(1), 33–63.
- United Nations. (1969). *Administrative aspects of planning*. New York: Author.
- United Nations Development Programme. (2008a). *Capacity assessment methodology user's guide*. New York: Author.
- United Nations Development Programme. (2008b). *Capacity Assessment Practice note*. New York: Author.
- United Nations Development Programme. (2011). *Assessment of development results Evaluation of UNDP contribution in Thailand*. New York: Author.
- United Nations Development Programme. (2015). *UNDP Programme Action Plan Between the Government of Malaysia and the United Nations Development Programme 2016-2020*. New York: Author.
- United Nations Development Programme. (2016). *Human development report 2016 human development for everyone briefing note for countries on the 2016 human development report Malaysia*. Retrieved from https://www.my.undp.org/content/dam/malaysia/docs/hdr/Malaysia_Country_Explanatory_Note_HDR2016.pdf
- United Nations Development Programme. (2019). *About UNDP Malaysia, Singapore & Brunei Darussalam*. S.l.: Author.
- Valente, T. (1995). Network Models of the Diffusion of Innovations. *Computational & Mathematical Organization Theory*, 2, 163–164.
- Vigar, G. (2012). Planning and professionalism: Knowledge, judgement and expertise in English planning. *Planning Theory*, 11(4), 361–378.
- Waheed, S., & Hayat, S. (1999). Capacity building in public sector organisations. *The Pakistan Development Review*, 38(4), 913–934.

- Waterson, A. (1969). *Development planning lesson of experiences*. Baltimore: The John Hopkins.
- Watson, A., & Dirlam, J. (1965). The impact of underdevelopment on economic planning. *The Quarterly Journal of Economics*, 79(2), 167–194.
- Wigley, K. J. (1966). The development of the national plan. *Journal of the Royal Statistical Society*, 129(1), 6–25.
- Willis, K. (2011). *Theories and practices of development* (2nd ed.). New York: Routledge.
- Witty, D. R. (1988). *Identifying a more Appropriate Role for the Canadian Planning Profession* (Doctoral dissertation). The University of British Columbia, Canada.
- Wong, L. (2008). Data analysis in qualitative research: a brief guide to using Nvivo. *Malays Fam Physician*, 3(1), 14–20.
- World Bank. (2011). *Implementing results based management in Thailand*. Washington DC: Author.
- World Bank. (2017a). *Driving performance from the center Malaysia's experience with PEMANDU*. Washington DC: Author.
- World Bank. (2017b). *Primer Malaysia's experience with national development planning*. Washington DC: Author.
- Xavier, J. (1996). Budget reform—the Malaysian experience. *Public Administration and Development*, 16(5), 485–501.
- Xavier, J. A., Siddiquee, N. A. & Mohamed, M. Z. (2016). The Government Transformation Programme of Malaysia: a successful approach to public service reform. *Public Money & Management*, 36(2), 81–87.
- Yeoh, T. (2011). Performance management reforms in Malaysia. In *Public Administration in Southeast Asia Thailand, Phillipines, Malaysia, Hong Kong, and Macao*. Boca Raton: CRC Press Taylor & Francis Group.
- Yin, R. K. (1994). *Case study research design and methods* (2nd ed.). London: SAGE.
- Yli-Renko, H., Autio, E., & Sapienza, H. (2001). Social capital, knowledge acquisition, and knowledge exploitation in young technology-based firms. *Strategic Management Journal*, 22, 587-613. doi.org/10.1002/smj.183

APPENDIX

Table A List of Informants

Organization	Name	Position
Malaysia		
Economic Planning Unit (EPU)	Tan Sri Sulaiman Bin Mahbob	Former Director-General
	Undisclosed	A former Deputy Director-General Sectoral division
	Undisclosed	A senior manager in Sectoral division
	Undisclosed	A senior manager in Macroeconomic division
	Undisclosed	A Deputy Director for International Cooperation
Implementation Coordination Unit (ICU)	Tan Sri Ahmad Zaki Ansore bin Mohd Yusof	Director-General
National Budget Office, Ministry of Finance	Koshy Thomas	Former Undersecretary
Academic	John Xavier	A former civil servant at INTAN and NBO
Center for Development & Research in Evaluation	Arunasalam Rasappan	- Executive Director/Senior Advisor, CeDRE - Founding President, Malaysian Evaluation

Organization	Name	Position
(CeDRE) Malaysia ^a		Society Principal Asst Director, Public Services Department
Institute for Democracy and Economic Affairs (IDEAS) ^b	Tricia Yeoh	Chief Operating Officer
Sabah State Economic Planning Unit	Undisclosed	A principal director
Sarawak State Economic Planning Unit	Undisclosed	A senior manager
PEMANDU	Chua Hong Teck	- Former Director for the Healthcare and Low-Income Household, PEMANDU - Director General, Public Complaints Bureau (PCB), Prime Minister's Department, Malaysia - Former EPU official
	Fabian Bigar	Former PEMANDU KPI manager

^a CeDRE Malaysia is the leading monitoring and evaluation research and development institution in Malaysia and provides innovative policy and technical advisory services on M&E and performance management aspects for the public sector in Malaysia through the Ministry of Finance, as well as several other countries.

^b IDEAS is a nonprofit research institute dedicated to promoting market-based solutions to public policy challenges.

Organization	Name	Position
		Undersecretary in Ministry of Health
World Bank	Undisclosed	A senior public sector specialist
House of Representatives	Dato Khoo Soo Sang	a member of parliament from Johor
Thailand		
Office of the National Economic and Social Development Board	Thammarak Karnpisith	Former Policy and Plan Analyst, Senior Advisory Level
	Suriyon Thunkijjanukij	Former director of Competitiveness Development Office
	Piyanit Onoparatvibool	Policy and Plan analyst, Expert level
	Janthawan Wantanaphong	Policy and Plan analyst, Senior professional level
	Kamonrat Chulasukont	Former plan policy and plan analyst senior professional level and the deputy head of Administrative development unit
	Ratthasapa Submuang	Policy and plan analyst professional level
Bureau of Budget	Petcharat Serephanpanich	Director of Budget Strategy Office
	Mutita Somana	Budget Analyst, Senior Professional Level, Budget Strategy Office
	A budget analyst in Evaluation Office	Budget Analyst, Senior Professional Level
	A budget analyst	Budget Analyst, Senior

Organization	Name	Position
		Professional Level
Ministry of Interior	Virat Tansakul	Head of Phang nga Provincial's Office
	A Policy and Plan Analyst	Expert level
OECD	Jan Rielander	Head of Multi-Dimensional country Review
World Bank	Kiatpong Ariyapruchya	Senior economist
TDRI	Ammarn Siamwala	Academic

BIOGRAPHY

NAME

Patcharawan Ubonloet

ACADEMIC

Bachelor of Arts

BACKGROUND

Public Administration

Thammasat University

Year of graduation 2001

Master of Creative Industries Arts Management and Creative Enterprises

Queensland University of Technology

Year of graduation 2005

EXPERIENCES

Policy and plan analyst

Office of the National Economic and Social Development Council

February 2011- present

Public sector development executive

Office of Public Sector Development Commission

2008-2011

Marketing executive

Thai Garment Development Foundation

2007-2008

Store manager

At Bangkok Co. Ltd

2004-2007