

**CENTRAL GOVERNMENT INTERVENTION TO LOCAL  
GOVERNMENT PERFORMANCE CASE STUDY OF PARKNUM  
SAMUTPRAKAN AND KALASIN MUNICIPALITY**

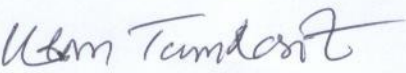
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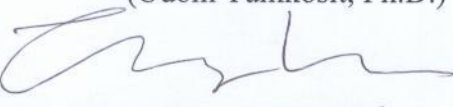
**A Dissertation Submitted in Partial  
Fulfillment of Requirements for the Degree of  
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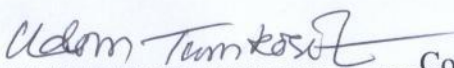
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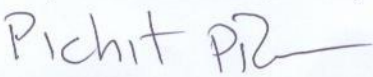
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## **ABSTRACT**

<b>Title of Dissertation</b>	Central Government Intervention to Local Government Performance Case Study of Parknum Samutprakan and Kalasin Municipality
<b>Author</b>	Major. Chalernpol Saributra
<b>Degree</b>	Doctor of Public Administration.
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This study has the following four objectives: 1) to examine the nature of intervention on local government organization through public policy; 2) to determine the implications of central government intervention with regards to contents and execution of the local government development plans; 3) to investigate the patterns of local government adaptation in response to central government intervention; and 4) to study local government organizations' problems and obstacles, and identify recommendations that may be useful to management of municipalities' affairs. The time frame of this research is from the fiscal year 2011-2013. The researcher focuses on two forms of qualitative research: 1) documentary research such as theoretical concepts, legal framework, and academic documents in foreign countries and Thailand and 2) in-depth interviews of elected administrators such as mayors, chief government officials and municipal assembly members, including the president of the municipal assembly. The researcher's findings lead to the following response to the four objectives.

Regarding the first objective, the research reveals that the public policy during Prime Minister Yingluck Shinawatra's premiership is consistent with the directive principles of fundamental state policies in accordance to the Constitution of the Kingdom of Thailand. Despite the fact that such public policy is beneficial to the state, official mandates issued by the Ministry of Interior and the Department of Local Administration to local government organizations can be considered a drawback and

regarded as intervention on the administrative rights of local government organizations. Such practice contradicts the principle of local governance, which states “local administrative organizations should have the liberty to manage its own region in accordance to the law,” and goes against various legal documents such as the State Administration Act, B. E. 2534, the Municipality Act, B. E. 2496, and the Determining Plans and Process of Decentralization to Local Government Organization Act, B. E. 2542. These public policies allow the central government to excessively control and oversee local government organizations and limit local government organizations’ abilities to earn revenues on their own.

As for the second objective, the research discovers that 1) impacts on budget: both municipalities were slightly affected, because only one percent or two million Baht of the two hundred million Baht annual budget were used to satisfy government intervention; 2) fiscal impacts: The two municipalities were greatly affected because the central government retains its authority on revenue collection and distributes such earnings to local administrations in the form of subsidy and revenue share from government agencies, totaling approximately 80 percent of the annual revenue. The remaining 20 percent comes from local administrators’ own effort; 3) impacts on the execution of municipal development plan: both municipalities were greatly affected by official mandates issued by the Ministry of Interior and the Department of Local Administration, which provide a directive for local administrative organizations to carry out public policy projects. In addition, the research suggests that Park Num Samut Prakarn Municipality has been influenced by informal political intervention. For instance, central government politicians commanded the municipality to enlist community members to participate in political events from time to time. Such informal intervention puts the municipality in an uncomfortable position, because the activities are not included in the municipal development plan.

Concerning the third objective, the research indicates that there are two scenarios the municipalities used to adapt to government intervention. In the first scenario, both municipalities are able to make proper adjustments in accordance to public policies set forth by the government without obstructing such policies. In the second scenario, municipalities are not able to properly adjust their perspective and mentality to government intervention because such intervention lowers the municipal expense budget by the amount that could have been spent on additional public service.

## **ACKNOWLEDGEMENTS**

I view this dissertation to be one of the greatest and most meaningful achievements of my life, because this piece of writing is the result of not only my genuine hard work but also the support of various important individuals. I would like to express my deepest gratitude to the Doctoral Committee of Advisors, Professor Dr. Udom Tumkosit, Dr. Thanapan Laiprakobsup, and Dr. Nuttakrit Powintara for their guidance and insights invaluable to this dissertation. I would also like to extend my gratitude to the Defense Committee, Professor Dr. Boontun Dorktraisong, the Committee Chair, Professor Dr. Pichit Pitaktepsombat, Committee Member, and Professor Dr. Udom Tumkosit, Committee Member, for their remarks and suggestions that helped refine this dissertation.

This dissertation is a qualitative research comprising of document research and in-depth interviews. In the former case, I would like to thank Assistant Professor Suntad Saributra who assisted me in compiling documents related to this research. In the latter case, I would like to express my gratitude to Mr. Jaruwat Boonperm, the Mayor of Kalasin Municipality, Mr. Siri Chanhuab, the Mayor of Park Num Samut Prakarn, Mr. Kosit Theerakul, the President of the Kalasin Municipality Assembly, Mr. Pakapong Pojchalongsil, the Municipal Clerk of Park Num Samut Prakarn Municipality, as well as all the administrators and municipal assembly members who provided the information essential to this research. Furthermore, I would like to thank Dr. Pratueng Muangon, a friend and a classmate who assisted me as the point of contact.

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(Major Chalernpol Saributra)

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# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 Background and Importance of the Problems of Intervention on Local Government Organizations**

The Kingdom of Thailand is currently governed through constitutional monarchy with three main institutional pillars: the executive, the legislative, and the judicial body. The executive branch derives its foundation for governing the Kingdom from the State Administration Act, B.E. 2534 (1991). Its foundation consists of three main regulations, namely regulation on central governance, regulation on provincial governance, and regulation on regional governance. Within the boundary of the regulation on regional governance, Sector 70 of the State Administration Act, B.E. 2534 divides regional governance into four main categories: 1) provincial administrative organization, 2) municipal administrative organization, 3) sub-district administrative organization (Tambon), and 4) other administrative organizations in accordance with the legislation, currently including governing bodies of Bangkok and Pattaya.

In addition to the executive body, the legislative body holds a power to enact rules of law including the Constitution of Thailand and various other acts, to ultimately provide the executive body and the government tools to create steps and procedures to intervene with regional administration. This is especially highlighted in the Directive Principles of Fundamental State Policies, Chapter Five, Section 75 to 87 of the Constitution, B.E. 2550 (2007), in which directives are set for nine areas including: 1) policy directive on national security, 2) policy directive on administration of state affairs, 3) policy directive on religion, social, public health, education and culture, 4) policy directive on legal affairs and justice, 5) policy directive on foreign relations, 6) policy directive on economics, 7) policy directive on

land, natural resource, and environment, 8) policy directive on science, intellectual property, and energy, and 9) policy directive on citizens' participation. These directives along with clauses in Section 75 and 76 stipulate that "(the government shall carry out) state affairs in compliance with the Directive Principles of Fundamental State Policies, and shall prepare a report of performance progress, including problems and obstacles encountered before the National Assembly once a year."

Accordingly, in 1999 the legislative body passed a law to decentralize executive power and give local government organizations power to govern. Through Section 16 of Determining Plans and Process of Decentralization to Local Government Organization Act, B.E. 2542 (1999), the Committee on Decentralization to Local Government Organization, to be chaired by the Prime Minister, was established with 16 different roles and power. Most important are its power to 1) establish decentralization plan to empower local governments and action plans to be approved by the Cabinet and National Assembly and 2) determine duties shared between central government and various local governments in provision of public service system. According to Section 16, with regards to provision of public services, the law specifies that "The City of Pattaya and Sub-district Administrative Organization shall have power to systematize the public services for the benefit of local communities as follows: 1) establish local self-development plan ... (31) other activities for the benefit of local communities announced by the Committee".

In conjunction to this, the Ministry of Interior passed a regulation called Regulation on Establishment of Development Plan for Local Government Organization, B.E. 2548 (2005), which empowered local municipalities to create their own development plans, but these plans and their respective implementation procedures must comply with the guidelines set by the ministry under its Regulation on Creation and Cooperation of Local Government Organization, B.E. 2546 (2003). The regulation specifies three types of development plan for local government organizations. The first type is strategic development plan. It is a long term development plan, involving local government's plan to improve social and economic conditions through strategic planning and development in local government organization. Ultimately, strategic development plan aims to show vision, duty, and

goal for future development, in line with Thailand's National Economic and Social Development Plan, provincial development plan, and district development plan. The second type of local government development plan is called three-year development plan. It is a "rolling plan", which involves implementation and evaluation process on a yearly basis. This three-year plan leads to process for creating annual budget for local government organizations, and municipalities use these development plans to come up with their annual budget, expenditure, and supplementary budget. Essentially, local governments would bring up the three-year plan to plan the budget needed; the process involves careful planning as well as participants from local citizens. Lastly, the third type of development plan is action plan, which is the actual activity of the local government organizations. It involves details on future development projects and projects that have been implemented in each region during a fiscal year. This way the public would know the types of projects that have taken place.

Government policies can be found in many areas including: 1) the Constitution of the Kingdom of Thailand, B.E. 2550, 2) government's stated policies, 3) the Eleventh National Economic and Social Development Plan B.E. 2555-2559 (2012-2016), and 4) Determining Plans and Process of Decentralization to Local Government Organization Act, B.E. 2542. Besides these four areas, there may be other laws and regulations, which specified government policies as well. Ultimately, these lead to channels for intervention of government policies on local government organizations. The legislative body may intervene through passing of laws/acts that may neutralize effective of local government organization. Examples of these include the Decentralization Act, B.E. 2542, the Municipality Act, Budget Procedures Act, and various regulations on regional finance. In addition, the executive branch may intervene on local government organization through its usual course of managing the state affairs under the rules and regulations enacted by the legislative body. Its influence can be felt through its management of central administration as well as regional offices. Lastly, the judicial branch may intervene through enforcement of laws and regulations pertaining to local government organizations, such as the Act on the Determination of Powers and Duties among Courts, B.E. 2539 (1996). Given these three channels, however, it is more likely that intervention on local government

organizations comes from the executive branch, namely through government's implementation of policies. These may include through implementation of 1) policies on drug prevention and suppression, 2) policies on supporting Royal Development Projects or projects following Sufficient Economy philosophy, 3) populist policies including welfares for the elderly, 4) projects to preserve important national institutions, 5) policies to prevent and reduce traffic accidents during holidays, 6) policies supporting community welfare funds, 7) policies promoting Thailand's Local Cooperative to Protect Green Area, 8) policies for city planning, etc. These various policies create both positive and negative impacts, and essentially affect the governance of municipalities, which in turn directly influence the implementation of municipal development plans. On the same note, Ministry of Interior's Regulation on Establishment of Development Plan for Local Government Organization, B. E. 2548 directs that local government organizations set their fiscal and supplementary budget based on the expense needed to carry out their respective three-year plan and must lay out plans for reforms to achieve their goals. These actions have led to lack of independent governance among local government organizations and affected the spending of regional budget, which is already limited. All in all, however, government intervention may have both positive and negative spillover to various regions and the country as a whole.

The current problem of government intervention on development planning of local government organizations inspires the researcher to research local government organizations at municipal level, a level represented by large organizations with various responsibilities. Specifically, the researcher aims to uncover whether intervention is committed through government policies by the actors within the executive branch, including the government and the central and local agencies, and possibly within the legislative branch through enactment of legislations.

## **1.2 Research Questions**

This research aims to address the following questions: 1) how is the intervention on local government organizations conducted and proceeded through public policy? 2) What are the impacts of intervention on the contents of development



plans and on their implementation? 3) What are the ways in which local government organizations use to adapt to intervention?

### **1.3 Research Objectives**

There are four important research objectives as follows:

- 1) To study intervention on local government organizations through public policy
- 2) To study the impacts of intervention on the contents of development plans and on plan's implementation
- 3) To investigate the patterns of local government adaptation in response to central government intervention through public policy
- 4) To study local government organizations' problems and obstacles, and identify recommendations that may be useful to management of municipal affairs

### **1.4 Research Limitations**

There are three research limitations as follows:

#### **1.4.1 Content**

The research content will be limited to three areas: 1) the approach and process on how intervention on local government organizations is conducted through public policy (through three policy areas—politics, public finance, and management), 2) the impacts of government intervention on details and contents of local government organization development plans, and 3) the ways in which local government organizations change and adapt to intervention by the government. Local government organizations at municipal level and above are usually commanded by the Ministry of Interior to take on government policies, even if some of these policies are not included in their respective development plans. Ultimately, development plans should have been initiated by local citizens, but evidence suggests most local government organizations are subjected to top-down directives to follow government policies.

Top-down directives include the creation of budget plans and allocations for various government policies, namely 1) to implement or support Royal Development Projects, 2) to tackle drug problems, 3) to implement projects to protect important national institutions, 4) to support Thailand's Local Cooperative to Protect Green Area, 5) to conduct city planning and improvements, 6) to prevent and reduce traffic accidents during holidays, 7) to support local welfare funds, and 8) to support programs following Sufficient Economy philosophy. Essentially, these budget plans present misappropriation of financial resources and directly affects management of municipalities under their respective development plans.

#### **1.4.2 Research Units**

The researcher selects “municipality” as a representative of all local government organizations, because 1) municipality is a local government organization with a moderate capacity in area of jurisdiction, population size, revenue, and economic, social, and political progress and 2) all provincial government centers or city halls are located in municipality's area of jurisdiction (with the exception of provinces which have city municipalities). This implies that provincial government can closely and swiftly command, direct, and oversee municipalities.

The researcher selects the two representative municipalities, Park Num Samut Prakarn Municipality and Kalasin Municipality, with the following rationales: 1) to use the Park Num Samut Prakarn Municipality as the representative of all city municipalities, municipalities, and sub-district municipalities from provincial areas near Bangkok's perimeter; and 2) to use the Kalasin Municipality as the representative of all city municipalities, municipalities, and sub-district municipalities in all other regions of Thailand including the central, the north, the Isan, and the south region.

Ultimately, the researcher aims to compare the Park Num Samut Prakarn Municipality and the Kalasin Municipality in order to understand the extent of impacts from government intervention through public policy and their capacities to respond.

### **1.4.3 Time Horizon**

The researcher plans to collect primary and secondary data within a three year period from 2011 to 2013 or from fiscal year 2011 to 2013 (October 1, 2011-June 30, 2013), a time period under the Prime Minister Yingluck Shinawatra's government. The data collected would be analyzed and compiled to satisfy research objectives. The research is expected to be completed by December 31, 2014.

## **1.5 Expected Outcomes**

This research is expected to produce the following beneficial outcomes:

- 1) Recognize the characteristic of intervention on local government organizations through public policy
- 2) Understand the impacts of intervention on local government organizations' implementation of development plans
- 3) Realize the ways in which local government organizations adapt themselves to address problems of government intervention
- 4) Gain new insights into the studies of public policy and its implementation in Thailand's local government organizations
- 5) Research outcomes can be developed into a model to explain success or failure in policies, projects, and plans implemented by local government organizations
- 6) Research outcomes can aid improvement in the implementation process of municipal development plans to maximize their effectiveness
- 7) Lead to further studies to compare differences and similarities on how local government organizations, central, and regional administration implement public policies

## **1.6 Content Overview**

The research paper is divided into seven chapters as follows:

Chapter 1: Introduction

This chapter explains the entire overview of the research. It is divided into eight parts: 1) Background and importance of the problems of intervention on local

government organizations, 2) Research Questions, 3) Research Objectives, 4) Research and Theoretical Framework, 5) Research Limitations, 6) Expected Outcomes, 7) Content Overview, and 8) Glossary

#### Chapter 2: Research Framework, Theory, and Relevant Studies

This chapter introduces the framework used to conduct the research, covering three important theoretical frameworks-the framework on central government intervention on local government organization, the framework on decentralization, and the framework on new approach to public management.

#### Chapter 3: Research Methodology

This chapter describes research methodology including sample/population selection, tools employed, data collection techniques, and analysis used.

#### Chapter 4: Case Study of Intervention on Kalasin Municipality

This chapter analyzes how the government intervenes on the administration of Kalasin Municipality through use of public policy. This chapter will be presented in three parts:

- 1) Case study on Kalasin Municipality: the processes and channels for government intervention through public policy.
- 2) Case study on Kalasin Municipality: The impacts of policy intervention through Ministry of Interiors on local government organizations' development plans and their implementation.
- 3) Case study on Kalasin Municipality: Local government organizations' approach to adapt to intervention by the government.

#### Chapter 5: Case Study of Intervention on Park Num Samut Prakarn Municipality

This chapter analyzes how the government intervenes on governance of Park Num Samut Prakarn Municipality through use of public policy. This chapter will be presented in three parts similar to the previous chapter:

- 1) Case study on Park Num Samut Prakarn Municipality: the processes and channels of government intervention on local government organizations through public policy
- 2) Case study on Park Num Samut Prakarn Municipality: the impacts of policy intervention through Ministry of Interiors on local government organizations' development plans and their implementation

3) Case study on Park Num Samut Prakarn Municipality: Local government organizations' approach to adapt to intervention by government

Chapter 6: Comparison of Government Intervention on Kalasin Municipality and on Park Num Samut Prakarn Municipality

The chapter compares and contrasts the experience of the two municipalities—clearly distinguished in terms of economics status, as the one closer to Bangkok's perimeter is able to collect revenue, while the other is set in rural areas with poor tax collection record—on the process of government intervention, the impacts, and the approaches their local government organizations have taken to adapt to intervention.

Chapter 7: Conclusion and Recommendation

This chapter presents the conclusion and discussion on research findings, analysis, and limitations faced during the course of the research. The recommendations will cover policies and other aspects including possible topics that should be researched in the future.

## 1.7 Glossary Terms

The following list of terms must be defined for clearer understanding of the research.

**Intervention on Local Government Organizations:** Intervention on local government organization through use of public policy in the forms of government policies (during Prime Minister Yingluck Shinawatra's term) as well as other legislations and official mandates effective during the government.

**Government Policies:** Government policies declared by Prime Minister Yingluck Shinawatra to the National Assembly on August 23, 2011.

**Input Factors of Intervention:** Input factors of intervention include government policies, legislations and official directives, work plans, government projects aimed at intervening local governments, direct superior's order, government's budgetary support and government agencies responsible for collection and distribution of funds to local communities, and local communities revenue collection and management

**Process of Intervention:** The normal functions of local governments include functions of the executive and legislative branches and that of government employees, all of whom may be influenced by government policies

**Adaptation to Intervention:** Process at which local government organizations adapt to government intervention in areas including budget, human resource, and technology

**Impacts of Intervention:** Impacts of intervention on contents of development plans and the impacts on the implementation process of the plans

**Strategic Development Plan:** Local government organizations' economic and social development plan and strategic planning for development of local government organizations, which aims to show vision, duty, and goal for future development, in line with Thailand's National Economic and Social Development Plan, government strategic plan, provincial development plan, and district development plan (Ministry of Interior's Regulation on Establishment of Development Plan for Local Government Organization, B.E. 2548, Clause 4)

**Three-Year Development Plan:** Local government organizations' economic and social development plan, which conforms to the strategic development plan. The three-year plan lays out details on programs and projects to be implemented in each fiscal year; they are on a rolling three-year basis and are annually assessed for further improvement (Ministry of Interior's Regulation on Establishment of Development Plan for Local Government Organization, B.E. 2548, Clause 4). A three-year plan is utilized as a guideline to set budget and define projects for various programs, which may be amended on a yearly basis. While the plan is taken from executive policies, these policies are derived from various channels including local communities development plans, local petitions, and voting. These policies are then turned into projects to address local needs. It is worth noting that if a project is not listed in a three year plan, there will not be budget allocated to such project. Projects for municipal development often include basic infrastructure, road buildings, etc. A three-year plan is amended on a yearly basis to conform to government policies, derived from local community development plans and public participation. Sometimes a municipality may not be able to solely fund or complete projects under a large plan, and may request aid from provincial government or from the Department of Local Administration.

**Implementation of Policies:** Process or steps which abstract-based policies, programs or projects are implemented to meet goals and able to achieve concrete outputs, outcomes, and impacts to fulfill defined objectives. In order to meet objectives, resources including budgets, human capital and technology are needed to be employed. Furthermore, to meet objectives, actual implementation must be able to convert policies into actionable plans, programs, and projects.

**Plan:** A plan is a preparation of a decision process at present time to be implemented in the future. Planning involves systematic analysis, converting policies, which are abstracts, into concrete actions. Plan must include objectives, responsible participants, defined time horizon, work process, and planned budget.

**Program:** A programs is a subset of a plan. A single plan includes a minimum of two programs. While these programs may have different objectives, they ultimately aim at making contribution to achieve the overall goal of a plan in an effective manner

**Project:** Projects are activities under a program. Normally, a single program includes a minimum of two projects. While these projects may have different objectives, they ultimately aim at making contribution to achieve the overall goal of a program in an effective manner

## **CHAPTER 2**

### **LITERATURE REVIEW**

In order to gain information on the research framework, theory, and relevant studies to answer research questions and meet objectives set forth in Chapter 1, in this chapter the researcher lays out the frameworks, theoretical thinking, and related studies and researchers into four sections as follows:

1) Theoretical framework 1) Centralization and Decentralization of Power 2) Local Governance 3) New Approach to Public Management 4) Intervention on Local Government Organizations in Other Countries England, Japan, South Africa and France

2) Intervention on Local Government Organizations through Public Policy 1) The Constitution of the Kingdom of Thailand, B.E. 2550 (2007) 2) Government Policies (during Yingluck Shinawatra's Premiership) 3) The Eleventh National Economic and Social Development Plan 2012-2016 4) The State Administration Act, B.E. 2534 (1991) 5) Determining Plans and Process of Decentralization to Local Government Organization Act, B.E. 2542 (1999) 6) Regulations on Local Governments Finance 7) Revenues according to Municipality Act, B.E. 2496 (1953) and 8) Process for Formulating Municipal Development Plan

3) Related Researches

4) Research Framework

#### **2.1 Theoretical Framework**

##### **2.1.1 Centralization and Decentralization of Power**

The basic framework will be presented into two schools of thoughts: centralization of power and decentralization of power.



#### 2.1.1.1 Centralization of Power

##### 1) Types of Centralization of Power

The King Prajadhipok's Institute's Encyclopedia on Thailand's Regional Governance classified two types of centralization of power (Nakarin Mektrairat, 2004, pp. 3-4):

The first is political centralization of power. This type of centralization is defined by the need for a political institution to create unity within a state, essentially to represent and reflect collective intention of people.

The second is centralization of governing power; it is defined by the needs to specify plans and organize rules of governance within a state. Centralization of governing power also includes provision and management of basic public utilities for all citizens or under a universal standard.

##### 2) Principles of Centralization of Power

In general, there are three principles that determine the extent of centralization of power (Nakarin Mektrairat, 2004, pp. 4-5):

The first is that the source of lawful use of violent force must be under the control of the central government. Specifically, the central government must control military and police affairs. Having a military force defends a state from external or foreign threats, meanwhile having control of the police affairs help induce social harmony, as laws are enforced to maintain peace. Having these lawful forces under central government is essential, because segregating these powers into non-central governing entities may lead to social disharmony.

The second principle is that the ability to make decision lies within central administration. In practice, central government operations involve functioning of different agencies and personnel, and while they may not be physically located in central government's headquarters, they work under the mandate from the central government. Thus, it is the central government who makes the ultimate judgment.

The last principle is that the relationships between different entities represent a chain of command. This means that relationships between organizations and government personnel depend on structural hierarchy, such that interactions take a top-down approach and will be a relationship between superiors and subordinates.

### 3) Advantages and Disadvantages of Centralization of Power

The discussion above is an attempt to identify basic characteristic of centralization of power in general. However, these basic principles are taken and implemented by central or national government to fortify its power, and as a consequence has direct impact on local governments. There are advantages that justify centralization of power (Nakarin Mektrairat, 2004, pp. 5-6).

The first advantage is national unity. Centralization of power gives power and the rights to the central government to be the sole actor in conducting deeds on behalf of the national interest and for benefits of the entire nation and not for selected few or in a particular region. Thus, having a strong government is imperative, as a weak government may lead to social disharmony and conflicts among various social groups.

Secondly, centralization of power promotes uniformity. Specially, with authority central government can carry out uniform policies such as laying out principles of laws and managing public utility system in a uniform manner. This in turn can create linkages between different communities in the nation and promote efficient migration of citizens. If each of the regions has a different tax system, laws, social security or education, then there would be low social dynamics.

Thirdly, centralization of power promotes equality. This is because segregation of power will lead those who are not within the central government to only be able to use their own local resources. On the other hand, central government may be able to address the problem of resource inequality, as they can provide the resources to create basic living standards to the poorest of the regions so that they have the utilities comparable to other parts of the country.

Lastly, centralization of power may promote national prosperity. From past experience, there seems to be relationship between economic prosperity and centralization of power. This is because strong government is able to effectively guide path of development or lay out relevant economic plans, leading to mobilization of resources from various part of the society. In addition, central government is the only institution that can dictate domestic exchange rate, taxation regime, and fiscal policy. Furthermore, central government also is the key provider of infrastructure projects as such roads, railroads, airports, and telecommunication network, all of which is essential to national economic development.

On the other hand, there are social disadvantages when government or representative of the government has too much political and executive power (Nakarin Mektrairat, 2004, pp. 6-7). Firstly, decision making process may be time consuming. This is because actions or decisions of government employees or agencies may have to have the consent of the central administration; such petition for consent may have to make it all the way up the government hierarchy to get a final decision from the top decision-maker, thus, making it extremely time consuming to get things done. This is evident in decisions for provision of public utilities, which often fails to satisfy the public in terms of timeliness of implementation.

Secondly, centralization of government power may not guarantee the public with the universal and effective provision of public utilities. This is because in practice it is difficult for the central government alone to adequately manage multitude of public utility functions and guarantee effective coverage to all areas.

Thirdly, centralization of government power may lead to misallocation of resources. Generally, centralization of power leads to provision of public resources that do not meet the needs of local communities. Different communities may have different problems, incentives, and needs. Thus, centralization of power that promotes uniformity may lead to misuse of resources.

Finally, centralization of power may shun the development of the culture of political participation based on principles of democracy. Having central government as a sole decision-making body prevents the chance for the public to learn and practice self-government, an essential part of the development of democracy through public participation.

#### 2.1.1.2 Decentralization of Power

Decentralization is a fundamental theory of local public governance. However, its meaning has been interpreted in many different contexts, and even within the same context the theory can be thought of differently. Thus, it is imperative that one must explore its meaning and define its framework in order to avoid further confusion.

Smith (1985, p. 1 as cited in Yima, 2007, p. 7) defined decentralization as the acceptance by central government to delegate authority and responsibilities to

various regions. These regions in turn are allowed to have their own working teams to take on local operations and mandates.

In addition, Wilson and Game (1998, pp. 19-20, as cited in Yima, 2007, pp. 7-8) asserted that decentralization can be implemented through various channels and have different degrees-these can indicate the relationship between central and local governments and the extent of decentralization. The degrees of decentralization are as follows:

#### 1) Administrative Decentralization or Delegation

In this type of decentralization, central administration retains its power to decide important policies and is able to appoint its own employees to local governments. Meanwhile, local governments are only delegated administrative tasks and general day-to-day management.

#### 2) Functional Decentralization

Under this type of decentralization, central authority forms a semi-independent agency to take on a function. This is similar Thailand's regional government in that central government delegates power to a department under the regional government to take on roles on behalf of government in various provinces and districts. For example, the Ministry of Public Health delegates its power to provincial public health agencies to provide healthcare to various regions.

#### 3) Political Decentralization

In political decentralization, central government delegates broad decision-making power to local government organizations. In turn, local government organizations have authority to make their own decisions; their leaders are elected by the locals and can independently address local problems and promote development.

From these three degrees of decentralization, the political decentralization has the implication that matches with the aim to empower local government organization to engage in self-government.

Nakarin Mektrairat (2004, pp. 10-15) detailed five forms of decentralization:

#### 1) Decentralization by Default

This form of decentralization arises from the situation in which the government or government's institutions fail to implement policies; are unable to

exert authority or influence in areas under their control; and lose trust from the public at grassroots level. This failure by the government, however, leads to empowerment and heighten awareness of civil society-an unintentional consequence. For example, various organizations, volunteer groups, and private development organizations are left to take charge without support from the government for their own communities. These tasks may include provision of education, organization of local cooperatives or community banks, and establishment of various other development projects.

## 2) Privatization

Privatization is a form of decentralization, which involves handover of businesses or functions previously overseen by government entities to be operated by the private sector. Examples of privatized sectors include mass public transit, telecommunications, and water utilities. The implication on privatization is that what is previously operated by the government, whether goods or services, can be provided by the private sector and competed for market shares. This type of decentralization is derived from the idea that private sector may be able operate more efficiently than the government through market mechanism, while government's monopoly on a sector may lead to lack of efficiency and poor services.

## 3) Deconcentration

Deconcentration involves delegating some power of the central government to subordinate government organizations that may operate in a particular provincial area. Under deconcentration, subordinate units would have the authority to decide on issues within their areas of jurisdiction; however, ultimately it is the central government who makes final decision on regional issues and development plans as the officials of the subordinate units are the one handpicked and working for the central government. Deconcentration is often applied to structure of government services as central government delegates some administrative authorities to agencies in specific rural areas, so they can take on tasks for their respective areas. Deconcentration is also known as “administrative decentralization” (Parker, 1995, as cited in Nakarin Mektrairat, 2004, p. 11)

## 4) Delegation

Delegation is a form of decentralization, which gives greater authoritative freedom than deconcentration. Furthermore, it emphasizes delegation of

a government functions as oppose to being area-specific like in deconcentration. Essentially, delegation is a form of decentralization of power in which the government delegates a function to local government organizations, semi-government agencies, private entities, or special purpose organizations, and these entities possess the freedom to exercise the authority and decide the course of action within the boundary of the functions delegated. Nonetheless, the government still retains some authority over these organizations through the legislative channel, which is used to define the extent of the authority of the delegated organizations as well as their roles. Furthermore, legislative channel may empower the government with power to establish and abandon these organizations.

#### 5) Devolution

Devolution represents the broadest form of decentralization. Devolution indicates a situation in which the government completely handover authority to decide on things to representative organizations of various regions or communities. The recipient organizations would have representatives elected by people in their areas to decide on issues and policies. Furthermore, these representatives would participate in the legislative channel and be able to enact laws and regulations specifically to address issues within their areas. In devolution, central government limits or abstains from intervention unless to address issue pertaining to national security. To this end, this form of decentralization is also known as “political or democratic Decentralization.”

Ultimately, there are two levels of devolution. The first is administrative devolution. This type of devolution conforms to the organization of local governance based on the principle of local self-government. Essentially, this principle allows local communities to establish their own local government organizations for the benefit of their own areas. These organizations would have high level of administrative freedom to address the livelihood of their citizens and establish programs to deal with problems and needs within their communities. Furthermore, they would have the authoritative freedom with regards to their finance and human resources-essentially being able to freely use their own resources.

The second level of devolution is legislative devolution. It is the ultimate form of decentralization under governing principle of the unitary system

and resembles the federal system (Heywood, 2002, pp. 167-168, as cited in Nakarin Mektrairat, 2004, p. 13). Legislative devolution essentially transfers authoritative power to an area, and people within that area may decide the political course on their own-this is known as Home Rule. This is achieved through establishment of local assembly to enact laws and regulations to be applied in their own territory. Despite gaining the ability to legislate, the local assembly is still a part of the state and does not possess sovereignty on par with the government like in the federal system.

From studying these five forms of decentralization, when applied to the context of this research on local governance, the forms of deconcentration, delegation, and devolution are the most applicable. The decentralization by default is omitted from further analysis, because it is driven by people as oppose to from effort to share power by the government. As for decentralization in the form of privatization, it is omitted, because ultimately it does not lead to true decentralization. Lessons from other countries have shown that privatization merely 'transfer' the power and resources from central government to centrally governing large corporations.

To this end, from these definitions and frameworks and by focusing on the basis and in context of local governance, one can see that local government organizations are byproducts of decentralization. However, as stated above there are varying degrees of decentralization, hence local governance system in one country may have varying degrees of power and authoritative freedom. In addition, establishment of local government organization often adopts a mixture of the degree of decentralization. For example, an organization may adopt delegation in the area of authoritative power, but may adopt a different form of decentralization for management of finance and resources. Ultimately, whether it is the administration of local affairs or the management of local human resource-an important resource of local governments, one may still find that there are different mixtures of the decentralization and degrees adopted.

#### (1) Advantages of Decentralization

There are three main advantages to decentralization of governing power (Chuwong Chayabutr, 1996, p. 22, & Kovit Puang-ngam, 2009, pp. 36-37):

Firstly, decentralization can better meet the demand of individual locality. For example, a region may require a specific set of public services,

not applicable or beneficial to other places. A local leader, who is elected by local communities, is likely to take on projects that satisfy the needs of the people in his area, as he is likely to understand problems and areas for improvement within his locality.

Secondly, decentralization helps reduce the burden of central government.

Thirdly, decentralization encourages and develops local politics, in the form of democracy, as it makes local citizens become more aware of and responsible to self-governing within their communities.

#### Disadvantages of Decentralization

Nakarin Mektrairat (2004, pp. 31-32) summarized four disadvantages of decentralization

The first is deterioration of political landscape; decentralization may lead to lack of political unity and stability. In the case of a single state, decentralization may lead to movement towards a federal system of government. And, for countries already adopting the federal system, such may find further deterioration of political unity. Besides, for countries with already low level of unity, such as countries with existing ethnic and religious conflicts, may find themselves in a state of no political unity.

Secondly, too much decentralization may lead to fiscal instability. This is due to the fact that when a large portion of public service spending is originated at local levels, it presents challenge for the government to direct and control the fiscal system of the country as a whole. Furthermore, should local spending indicates lack of fiscal discipline-such as overspending the budget while having low ability to collect revenue as was the case during Latin American economic crisis-it can create problem of fiscal instability to the nation.

The third disadvantage of decentralization deals with inequality. The greater the extent of decentralization, the more the likelihood that it leads to inequality among different regions and districts. Types of inequality may include economics, finance, standard of living, and public services. These inequalities arise from the notion that with decentralization, provision of basic services and allocation of resource lie within each district, and each is likely to have varying



resources and capabilities. So, inequalities arise when one area has more resources and is more capable than the others.

The fourth is the problem of resource utilization. When each community has a jurisdiction over the resource it controls, it may lead to inefficient allocation of resources. This is because each community will attempt to use its resource to solely benefit itself, leading to a situation in which there is lack of coordination among communities for how to best allocate resources. Therefore, the resources are used sporadically in different areas without a clear unified purpose, making it difficult to foster national economic growth.

In summary, there are three principles that determine the extent of centralization of power, namely: the source of lawful use of violent force must be under the control of the central government; the ability to make decision lies within central government; and the relationships between different entities represent a chain of command. On the other hand, decentralization involves the central government agreeing to delegate some aspects of authorities and responsibilities to local communities and allowing them to establish local organizations to take on the delegated tasks. There are many forms and extent of decentralization including administrative decentralization or delegation, functional decentralization, and political decentralization or devolution.

### **2.1.2 Local Governance**

The definition of 'local governance' has been defined by many Thai and foreign scholars on numerous occasions. While minor differences in details and literary style are presented in these scholars' definition, the definitions themselves often share core characteristics. Given this, this researcher aims to present only the definitions from recognized scholars, whose works are often referred to in textbooks and researches on topics of local governance.

Robson, (1953, as cited in Udom Tumkosit, 2008, pp. 210-211) in his Encyclopedia of The Social Science defined local governance in the context of Old English "In general local governance is a governing system, which derived its fundamental basis from the division of governing zone. The communities that operate their own localities do not possess sovereignty, but are allowed by law the power to

self-govern; these communities have the rights to establish local organizations to take on local tasks. The implication of this is that it is utmost important that local communities maintain their local authoritative power. Local governance must be free from outside control, so that local communities can freely manage their own errands. Such authoritative freedom must extend to all local activities not conflicting with national laws and regulations. Furthermore, as each locality represents a part of the nation's sovereignty, it must receive protection from the state. While participation is encouraged, it is practically impossible for local citizens to be involved in all aspects of local activities at all time. Thus, local citizens often participate in local governance through election of representatives-the majority voters get to decide on local matters.”

Wit (1967) defined the meaning of local governance as the delegation or distribution of power from the central government to local governing units in order to allow local citizens to take a small or large part in local governance (Wit, 1967, pp. 14-21, as cited in Chuwong Chayabutr, 1996, pp. 23-24). This is under the principal idea that if the power to govern is from local citizens, then the local government must be people's government and its action must be for the people. Thus, local governance must have its own governing body and not a part of the central administration. Local government organizations essentially derive their power from decentralization of central government's authority, and such organization must possess the autonomy to decide and operate freely within its own area.

Montagu (1984, p. 574, as cited in Chuwong Chayabutr, 1996, p. 24) described local governance as a governing system in which a local governing unit gets a leader that is independently elected by local citizens to take on local responsibilities without influence or control of the central government or other administrative agencies. Nonetheless, local governing units are still subjected to the laws of the nation and not considered sovereign states.

Muttalib and Khan, Mohd. Akbar Ali (1983, pp. 2-19, as cited in Buchori Yima, 2007, pp. 13-14) proposed a number of dimensions on local governance as follows:

- 1) Social dimension of local governance refers to the gathering of participants within an area that share similar thoughts and ideologies under social and economic circumstance that is unique to their area.

2) Economic dimension of local governance leads to distribution of economic power which may reduce central government intervention on local development and planning. Additionally, economic development in local areas ultimately leads to strengthening of the nation's economy as a whole.

3) Geographic dimension of local governance is derived from the thinking that citizens from one area may possess different thoughts, conscience, and feelings from those from other areas, even within the same country. Their views on costs and benefits of policies, for example, are likely to be dissimilar to those in other places. Thus, these different views lead to unique problems and solutions for each area, whether in terms of the approach to the solution, the political, administrative, and legal angles. Therefore, existence of local governance is critical.

4) Legal dimension of local governance points to the fact that a local government organization is considered a state entity that acts as a representative beneficiary on behalf of local citizens. It represents the state's sovereignty and has certain extent of freedom to operate.

5) Political dimension is the most important dimension of the framework on local governance. This is because having various local governing bodies being delegated tasks and responsibilities helps reduce burdens of the central administration. Furthermore, existence of some form of local governance is an important part of democratic governing regime, as society is not considered true democracy without local governance.

6) Administrative dimension of local governance is the administrative management of an organization which has a mixture of politics, management, and technology.

Thanet Charoenmuang (2010, p. 27) summarized the definition of local governance by building on principle suggested by Hill (1974, p. 23, as cited in Thanet Charoenmuang, 2010, p. 27). He defined local governance as a management system for public functions and local resources of an area within a state with defined boundaries. Moreover, it is a legal entity with an institutional structure with powers and duties laid down in general and/special statutes.

Thanet Charoenmuang (2010, p. 29) concluded the meaning of local governance as a combination of characteristics; such characteristics will depend on

many factors and may be different in different countries. The main factors that define local governance characteristics are 1) country history, 2) strength of local regions, 3) strength of the state, and 4) the state's ideology and policies, and 5) external factors.

Buchori Yima (2007, p. 14) summarized the meaning and the main points of local governance as the administrative governance of a community, with freedom to perform various functions, for the benefit of citizens within the jurisdictional area. Local governance is bestowed administrative power from central government, and a local government organization is established as a legal entity, with legal rights and is subjected to applicable laws. These organizations would derive operating finance from various forms of tax collections and other local revenue streams. Members of local assembly and executives are elected from local voting, and the local organization has its own working staffs.

Kovit Puang-ngam (2009, pp. 29-30, 2006, pp. 3-5) analyzed the important principles of local governance as follows:

- 1) Governance of a local community may be different from that of others, as one community may possess diverse characteristics such as in terms of economic progress, number of population, or the size of its areas. Examples of these are provincial and sub-district administrative organizations and Pattaya and Bangkok administrative organizations.

- 2) Local government organization must possess appropriate amount autonomy to perform its duties. Authority of local organization must be balanced with the extent of duties being taken, to derive most benefits from performing its tasks. Too much power may lack confined jurisdiction.

- 3) Local government organizations must have legal rights to self-govern. These rights are classified into two types:

- (1) Local government organizations have the power to enact local laws and regulations to aid administration of their respective communities and control citizens. An example of this form of legal rights is municipal law.

- (2) Local government organizations have the rights to lead the administration of affairs in local communities through its authority to set fiscal budget to finance various tasks and projects under its jurisdictions and mandates.

- 4) Local governance must have organizational units to take on administrative and self-governing duties. The two units required for effective local

governance are the executive units and the legislative units. For example, governance of a municipality has municipal councilor as the executive body and the municipal assembly as the legislative body. In addition, in the case of Bangkok, the governor represents the executive body and Bangkok assembly is the legislative body.

5) Another important principle is participation of local citizens in local governance. The rationale is that local citizens are more likely to understand problems and ways in which they should be addressed. Thus, local government organizations must have participation from local citizens in management roles in order to fulfil the needs of the public and be under the influence of local participants. Furthermore, local participation can encourage public's understanding of the mechanism of true democracy.

Hampton (1987, as cited in Udom Tumkosit, 2008, pp. 213-214) explained the definitions and characteristics of local governance as "local citizen's system of self-government." Hampton asserted that there are four main characteristics in England's local governance system. Firstly, local governance is a governing system that has a defined physical boundary, a specific geographic area without boundary disputes to cloud the areas of responsibility. Secondly, it is a governing system which mainly aims to address the needs of local citizens. This includes efforts to provide basic necessities such as civil buildings and public health services. Thirdly, representatives from local assembly are elected through local elections, and that the electoral process shares the process and standards with national-level elections. Lastly, local government has the autonomy to perform various tasks for the benefit of its communities. This includes authority to collect taxes and regulates on what can and cannot be done within its border. Overall, Hampton believes these four characteristics can clearly distinguish the local governments from other agencies, such as regional government agencies. Another distinguishing characteristic is that provisions of services by local governments are often tailored to be appropriate to specific areas.

Barber (1972, as cited in Udom Tumkosit, 2008, p. 214) defined local governance as "a governing system that utilizes authority to perform various duties and tasks by a subunit of a government within a sub-region of the government's entire area of control."

Golding (1975, as cited in Udom Tumkosit, 2008, p. 214) also defined the local governance and its characteristics as “the organization of local governing system to address the needs of local citizens within a specific set of legal rights.” Golding’s (1975) essential features of local government include the following:

- 1) The members of local authorities are elected by inhabitants of that area. These local authorities, whether they are a member of local assembly or the executive body, must have a limited working period tied to election term. This is so that local citizens could have a chance to express their views and use their judgement to elect new representatives should they not be satisfied with the current assembly or local authorities.

- 2) Local authorities are autonomous bodies with authority to decide questions of policy on their own. This means that local government must have authority to decide on policies and actions without the influence and intervention from central government. Local government organization should have the freedom to decide on course of actions to reflect the fact that local government is more likely to understand what its citizens want more than does the central government.

Robson (1953, as cited in Udom Tumkosit, 2008, pp. 214-215) defined local governance as self-governing of local inhabitants. He suggested five characteristics for effective local governance as follows:

- 1) Presence of local elections so that local inhabitants can participate in self-government

- 2) Procedures for public accountability. Local governance must allow channels for local citizens to audit the work of its local authorities when in question. Because the implication of local governance is that the true power of governance lies within the local inhabitants, they must have the rights to verify and check that local governments are performing the tasks to address their needs at all time. Without procedures for public accountability, local citizens may not be able to verify the work of its representatives and maybe impeded by local authorities whom may be involved in wrong-doing. Lack of public accountability may incentivize corruption and induce ineffective government. Thus good local governance must include procedures for public accountability

3) Independent and substantial sources of income. Examples of the sources of income include commercial taxes and management of its own assets. This is so that a local community has a sufficient budget to perform its duties

4) Clear areas for independent action. A local community must have defined physical area in which it can independently perform its duties. Its rights to perform such duties may be confined to a specific area and would otherwise be prohibited in other districts.

5) Certainty of power, duties, and the condition under which they would be exercised. This suggests having clearly spelled-out roles and duties of local government in a legal act, encompassing what it can and cannot do as well as defining the rules for its operational procedures. This way all government organizations would know their roles and extent of duties.

Stanyer (1976, as cited in Udom Tumkosit, 2008, pp. 215-216) suggested three characteristics for desirable local government system.

The first characteristic is that local government has a well-defined structure. On this note, local government must have at least three internal structures. The first structure is having an assembly with a defined extent of authority. The second structure is having an executive body with defined roles and relation to the local assembly. The third structure is the government's employees both appointed centrally and locally and their roles and relations to the other two structures. All these structures must have defined and clear roles and responsibilities to have desirable governing system.

The second characteristic is that local government authorities are elected, not appointed. This is because local inhabitants should be the owners of these authoritative powers and having an election provides a channel for local citizens to choose representatives to wield such power, an appropriate representation of democracy. If local authorities were not selected through election, then this implies that local inhabitant did not wield their power to self-govern and thus conflicting with the principle of local governance.

The third characteristic is that local authorities raise the money they need partly from a local tax which they have the rights to.

Holloway (2011) explained seven important characteristics of local governance as follows:

1) Local governance must have definite territory, meaning local authorities must know its jurisdictional territory, so that the area can be used to define the extent to which authorities can be exercised.

2) Local governance must have definite population so that local authorities know the number of population within their area. These local inhabitants have the rights to elect representatives, access public services, and are obliged to pay taxes.

3) Local governance must have local government organizations to perform duties to the locals. These organizations must be operated as continuing government organization, on an on-going basis, and not set up as an ad-hoc institution.

4) Effective local governance must be established as a separate legal identity from central government. Local government must be able to enact and enforce local laws, given that these laws are not in conflict with the laws of the nation. Ability to enact laws would support specific actions tailored for management of specific communities.

5) Local governance must possess autonomy or degree of independence. This is because local communities may have specific needs, goals, and their own problems that require specifically designed actions to address them. Thus, the authorities to address problems and take on actions must be used by local authorities and be independent of influence from central government or organizations outside its territory.

6) Local governance must possess governmental power; this includes the power to self-govern without conflicting with the nation's overall governing authority. Some localities may possess all three governing bodies: the executive, the legislative, and the judiciary bodies. Some areas may even have the authority to create policies and implement them on their own.

7) Local governance must have fiscal independence or some power to raise and spend money to carry on functions, so that there is enough funding to carry on operations and take on projects. If a community has adequate funding, it would be



self-sufficient and would have less reliance on central government. And, this ultimately leads to reduction in government intervention on local government as there is no rationale or excuse for government to influence on local communities. Therefore, well-developed communities prioritize their source of income as an important requirement for local development.

Baylia and Smith (2005) explained the required characteristics for local governance as follows:

- 1) Local governance must operate under principle of independent legal entity, so that it can take on its own functions with legal support and not controlled by other legal entities such as the central government or other entities.

- 2) Selection of representatives to wield authority must be through election. An election is a democratic way to select representatives to take on administrative and legislative responsibilities.

- 3) Locality must possess independent powers of taxation so that it can fund itself and its functions.

- 4) Locality must have freedom to take on functions and possess certain extent of autonomy such as freedom to decide policies, use income for provision of public services, and address local needs.

Udom Tumkosit (2008, pp. 218-219), a senior researcher on local governance and Thailand's governing system, gave remarks suggesting that "local governance is a governing system by local citizens on local communities. It is a result of a delegation of central government power and reflects the idea that local governance should be the responsibility of local inhabitants. Thus, the inhabitants must elect their own leaders. Furthermore, while local government organization may be established by central government, it may possess authorities to take on independent functions and follow its own agenda." In addition, Pratan Kongridhisuksakorn also suggested the important features of local self-governance as follows:

- 1) Local governance through local inhabitants electing its own representative is an important feature, and such election must result in composition of the executive body, like the Bangkok Governor or a town mayor. Furthermore, local council like municipal assembly must also be from local election. These elections ultimately promote political participation by the public.

2) Local self-governance by inhabitants should establish a local government organization as a separate legal entity so that it can perform its mandates and that its actions have legal support as well as accountability in the case of violations.

3) Local self-governance should have a local government organization that has authority to generate income through sources like taxations and issuance of commercial papers so that it can have sufficient funding to perform its functions.

4) Local government organization should have autonomy to decide on policies, given that such policies are not in conflict with policies at national level. These policies must be under a local regulations or acts so that implementation can be regulated and overseen with clear accountability.

5) Local government organization should not be structured within a hierarchy as a subordinate entity of other government organizations or the central administration. Such structure may lead to lack independence of self-government, if under the control of government with legal backing.

Paiboon Changrian (1984, as cited in Udom Tumkosit, 2008, p. 220) suggested the following important characteristics of local governance as

1) A separate legal entity in addition to the central administration with its own assets and fiscal budget. Such entity must have the authority to take on function to provide public services under the mandates delegated by the central government. It must have legal rights with regards to its territory as well as structure for good governance.

2) Having an election so that local inhabitants can govern themselves and allow participants with knowledge and ability to get involved with local governance.

3) Having the autonomy in performing its functions within the confine of law, and such actions can be taken without permission from central government.

4) Having the independence in its fiscal decision such as on locating source of incomes, revenue collection, and budget planning.

Udom Tumkosit (2008, pp. 220-221) suggested that local governance is a governing regime that occurs after the decentralization of government power and possesses these important characteristics:

1) Local government is a legal person or legal entity such that it is legally separated from the central government. It is a legal entity with its own budget, resources, and personnel, and can assigned functions on its own. The reason that local government should be a separate legal person is that local government can act for its own benefit and have the freedom to participate in legal actions without the aid of the government. Furthermore, it can legally own its assets and resources.

2) Good local governance involves having an election, whether for both the local assembly and the leadership positions or just one of the two. An election is the only way to allow participation of local citizens in self-governance. A local election comprises of elected representatives in leaderships roles and an advisory council including representatives from local assembly.

3) Another good characteristic is autonomy. Local government with autonomy can perform its functions independently; it has its own budget and personnel. And, it does not need to wait for permission from the central government. This should include power to decide policies, make decision, and manage human resources.

While having autonomy is a desirable quality, a local government cannot become fully autonomous from the government; it must perform functions within the boundary of the authority delegated by the central government as stated earlier.

Decentralization of power to local governments aims at giving these organizations the authority to address their local citizens' needs. However, the central government still plays a role in making sure that these local governments are actually and effectively performing their mandates. Nevertheless, the current trend favors decentralization of power while the central government retains the authority on issues at national level such as defense of its border, national economic and social development policies, and foreign relations.

Udom Tumkosit (2008, pp. 221-222) explained four stand-out characteristics of local self-governance, namely:

1) Having the freedom to carry on functions and operation as one sees fit. So, employees of a local government must be under its regulations and municipal laws; these employees also receive benefits and salaries from the local government budget.

2) Having local government organization that is a separate legal entity from the legal authority of the central government. These organizations must have defined territory of jurisdiction and executive bodies elected by local inhabitants.

3) Having the freedom in fiscal finance. This includes freedom on taxation and other sources of income under the confine of law and ability to set its own fiscal budget

4) Having the freedom to set policies and carry on actions without prior permission or instructions from central government. If local government only has the authority to recommend or advise without ability to make decision and execute, then this would not be considered a true decentralization.

These four characteristics indicate the differences between local self-government, also known as local state government, and the regional state government, a government entity which derived its authority from central government's "deconcentration" of power. Essentially, the central government sends its own officials to work in regional offices and assigns them tasks on behalf of the central government. These officials are to report directly to the central government. Examples of organizations that exhibited deconcentration form of authority include provincial and district governments.

Udom Tumkosit (2008, pp. 221-222) analyzed the main contexts of local governance under the traditional thinking as follows:

1) Local governance is defined as "the organization of local governance by local inhabitants." The process is administered through election of representatives to take on governing and administrative functions. Each districts or communities may exhibit distinguished characteristics of local governance due to difference in the demographics of each area such as the number of population and wealth (e.g. local government organizations in Thailand is organized into provincial government, municipal government, sub-district government, and City of Pattaya and Bangkok).

2) Districts or areas that plan to establish local governing bodies must have the following fundamental prerequisites:

(1) An area must be able to identify its territory and population. It is important that a governing body is able to define territory and population so that it

can eliminate confusion in its area of legal jurisdiction as well as acknowledge the group of citizen in which it oversees.

(2) Each area has its own uniqueness whether it is the border type, population, culture, tradition, and local resources. Due to the uniqueness, central government's general policies on local governance may not be appropriate; a specific method of governance is needed to address each area. Therefore, central government actions in a local community should have consent from the local inhabitants.

(3) Local governance should have defined mandates and responsibilities. This is so that the local citizens, leaders of local government, and central government are in agreement and understanding of the extent of the authority of the local government and what it can and cannot do.

(4) Local government organization must have legal rights and autonomy to carry out functions it sees fit. Specifically, local government must be a separate legal entity with freedom to carry on duties under its legal mandates. This is so that its actions can generate the most benefits to its communities. However, a local government with too much authority or lack of defined power may claim sovereignty over its territory, which can cause destabilization of the national sovereignty. All in all, the extent of autonomy of a local government is likely to be different in one area from another due to differing stages of development, wealth, and capacity of local human resources.

(5) Local government organization must carry out its duties of administration of a territory by following the mandates and utilizing powers given to it through legal rights. Local government organizations have two forms of legal rights: 1) Rights for a local government organization to enact laws or regulations to aid its operations as well as use as a guideline for provision of services to local citizens. Examples of local government organizations' passage of laws include municipal laws and provincial regulations. 2) Rights for local government to administer and manage an area. These legal rights refer to local government's ability to collect taxes, set budgets, and carry out duties to fulfill its main duties under its legal mandate.

(6) Local government organizations must be institutionalized or supported by prominent and 'perpetual' institutions so that it can take on

administrative role and achieve the goal of self-government. There are two branches of local government organizations: the executive body and the legislative body (for example, municipal government has the municipal council as the executives and the municipal assembly as the legislative body, or in the case of Bangkok, the Governor would act as the executive, while the Bangkok assembly is the legislative body). In addition, local governments must have an employee-oriented institution so that local governments can have permanent workers with professional capability.

(7) Local inhabitants must be involved in local governance. This is from the thinking that local citizens are more likely to understand their problems and needs than does the central administration. Therefore, local government must be managed by local citizens so that it fulfils the desires and needs of local communities and be under the control of local citizens. Furthermore, local participation helps reinforce local understanding of democratic process.

### **2.1.3 New Approach to Public Management**

Hood's (1991, pp. 3-19) classic article titled "A Public Management for All Seasons?" published in Public Administration magazine (1991, pp. 3-19) analyzed the idea and the origin of New Public Management (NPM). Studies of NPM is quite prominent in the field of public administration; its core thinking comes from studies in the England and the member countries of the Organization for Economic and Co-operation Development (OECD).

In his article, Hood concluded that the origination of NPM relates to core management studies on four megatrends. These trends are

- 1) Effort to reduce the size of central government in terms of expense and number of employee
- 2) Privatization and quasi-privatization of government agencies. This includes funding support from government's subsidiary to provide public services on behalf of the core government institution
- 3) Development of information technology for provision of public services and management
- 4) Development of international agenda, especially with regards to public management, policy design, decision style, and intergovernmental cooperation in each country for public management

Supporters of NPM believe it is the only way to address the problem of the failure of moral standard in the Old Public Management. Nevertheless, occurrence of NPM is not without a question; it has led to numerous debates on its characteristics and structures. Thus, Hood's "A Public Management for All Seasons?" attempted to answer many of the questions including defining the idea of NPM; whether it emphasizes presentation or content; why is NPM popular; and whether NPM can be applied to all situations.

Todsapon Sirisamphan (2006) explained that the push for new public management system originated from scholars' attempts to explain the characteristics and the phenomenon of the reform efforts on public management during the 1980s and early 1990s in the Westminster countries, particularly England, Canada, Australia, and New Zealand. During the same period, some municipalities and states in the United States also took up reforms similar to NPM, though they may be termed differently such as Market-based Public Administration, Reinventing Government or Entrepreneurial Government (Tosaporn Sirisamphan, 2006, pp. 26-27), thus easily creating confusion.

The underlying idea behind NPM rests on the assumption that theoretical framework on management techniques can be applied to both public and business management, as principles under public and business management are closely related to Woodrow Wilson's classical theory of public administration, which emphasizes separation of politics from administration, and Frederick Taylor's Scientific Management, which stresses on economy, efficiency, and effectiveness. Under NPM, an effort is made to change the procedures for public management from originally placing importance on resource inputs and relying on regulations, as tools to enforce good moral standards, to emphasizing on the objectives and achievements of duties in terms of outputs, outcomes, and value for the money. In addition, NPM also aims at improvement in quality of services and public satisfaction. NPM can be achieved through application of modern management theories such as Strategic Planning, Key Performance Indicators, Total Quality Management, and Reengineering (Todsaporn Sirisamphan, 2006, p. 27).

The stated above is similar to conclusion made by Ampon Thamrongrak (2010, p. 11), who suggested that NPM originated from administrative reform, or

modernly termed public service reform. Public service reform is a reform process to innovate new public management technique; it aims at systematic planning for changes in government services, to improve efficiency and achieve objectives set under a reform plan. In addition, a reform is a critical process and may face uncertainty as well as rapid changing condition. Finally, Ampon Thamrongrak (2010) concluded that most reforms rely on the thinking of NPM.

Ruengwit Ketsuwan (2006, pp. 235-236) explained that the field of public management started in the early 20<sup>th</sup> century. At that time public and private management faced a similar problem. That is, the private corporations were getting too large, leading to many hierarchies and operational red tapes similar to public management bureaucracy. During the 1950s to 1960s the private sector, seeing the limitation of bureaucratic system of division of labor and having only one system covering every operational aspects, began serious implementation of reforms by creating a system in which a manager is accountable for delivering outcomes and successes. On the other hand, the public sector, while realizing their operational lag in the 1950s, did not take management reform seriously until the 1980s. In England, reform effort began with the Fulton Report of 1968, which proposed results-based management. However, none of the British governments took up this proposal until Margaret Thatcher's administration in which large government reform took place. In the US public management reform began during Jimmy Carter's administration. Specifically, in 1978 the US Congress enacted Civil service Reform Act, which places greater accountability of success and failures on management. While this law emphasizes human resources management, it also aims at improving management of public sector that is lagging behind its private counterpart.

Osborne and Gaebler's (1992) book titled *Reinventing Government* was the main contributor to broad improvement in government services in New Zealand (Osborne, & Gaebler, 1992, as cited in Boontan Dockthaisong, 2010, pp. 13-14). In the country, there were reforms on management of public institutions to improve their efficiency. These reforms included efforts to improve human resource management operational procedures, leadership roles, public institution output and service efficiency, and departments' efficiency through auditing. Experiences from case studies in New Zealand, Canada, England, and the US can be summarized as the core of the New Public Management as follows:



1) Government has a duty to oversee but does not need to be involved in all functions. It must manage as a businessman

2) Government delegates authority to a community, and the community manages its affairs as an entrepreneurs. This is akin to change of ownership, from the government to local community, by allowing local citizens to address their own problems

3) Government promotes competition and uses management structure that highlights competition. This is similar to the private sector and the NGOs which emphasize efficiency, accountability, environmental preservation, and new innovation

4) Government must specify a core mission. It must change from system of adhering to rules and regulations to business management style, by emphasizing on the overall mission and take in consideration internal and external factors, budget management, human capital, and streamlining

5) Government emphasizes achievement of outcomes not the outputs

6) Government emphasizes importance of 'customers,' by responding to what the public wants as oppose to what the government wants-something the public sector can learn from the private counterpart

7) Government must operate like a business enterprise, to create more revenues than expenses. It must identify ways in which it can grow profits like using proceeds from public services to invest for the future

8) Government must have measures to prevent problems as oppose to measures to solve problems. This is because public management is slow to respond to public problems thus it is better to have preventive measures

9) Government must distribute authority from hierarchical structure and emphasize participant management and teamwork. It must utilize modern information to develop communication system. Furthermore, government should improve workers' quality, be able to accept new changes, be flexible, and create team based organization. It should also delegates authority to agencies/local governments to make decisions and promote those who bring about new ideas and perform well

10) Government should adopt marketing management. Marketing management is a type of business management technique that considers changing market trend from the traditional ways in which the government runs the entire

operation to allowing different units to define their own strategies. Goals such as change of working environment and market broadening can be achieved, because marketing activities can be done efficiently, thus, guaranteeing that locals can have better quality of life and opportunities for economic growth

Hood (1991, pp. 4-5) asserted that NPM must consist of seven doctrines, namely: 1) there is emphasis on professional management on public sector, so that public sector leaderships have the freedom and the flexibility to manage their own organizations; 2) there are explicit objectives and performance indicators. This would highlight the accountability for the results more than accountability for the process, with goals, targets, and quantitative performance measures; 3) emphasis must be placed on output controls and resource allocation. Furthermore, government must abandon the old central rewarding scheme and move to performance-based rewarding; 4) there is an attempt to improve organizational structure by reducing the size of the organization. This can be done by outsourcing functions to contract outs, placing emphasis on decentralization, and giving some autonomy to arm-length basis organizations; 5) government should allow contestability in provision of public services, because having competition within the service sector can increase the drive for efficiency; 6) government should stress on private sector style management practice. Essentially, to change from 'military style' management to a hiring system, which is flexible with employment of public relations and has a rewarding system; and 7) government should stress on greater discipline and parsimony in resource use, especially through fiscal discipline to promote efficient utilization of resources, and cut down on unnecessary spending.

**Table 2.1** Christopher Hood's Doctrinal Components of New Public Management

No.	Doctrine	Implication	Typical Justification
1.	Hands-on professional management in the public sector	Allow public sector leaderships to have the freedom and the flexibility to manage their own organizations	Create clear accountability and assignment and avoid authoritative conflicts

**Table 2.1** (Continued)

<b>No.</b>	<b>Doctrine</b>	<b>Implication</b>	<b>Typical Justification</b>
2.	Explicit standards and measures of performance	Define explicit goals, targets, and quantitative performance measures, especially for professional service	Accountability from explicit goals and performance measures
3.	Greater emphasis on output controls	Having efficient allocation of resources and performance-based reward system. Abandon centralized human resource management	Emphasis on results as oppose to procedures
4.	Shift to disaggregation of units in the public sector	Abandon centralization of power structure and encourage corporate units that are result driven. Decentralization of power to create some autonomy to organization under Arms-length basis	Establishment of managerial units and separate the support team from the production team. Also, encourage use of contract-outs to improve management efficiency
5.	Shift to greater competition in the public sector	Public services provision based on employment contracts and roles of organizations	Competition is the key to encourage cost reduction and higher standards
6.	Stress on private sector style management practice	Change from military style to a hiring style	Application of private sector management

**Table 2.1** (Continued)

No.	Doctrine	Implication	Typical Justification
		that emphasizes flexibility, performance-based rewarding system, and use of public relations	style to the public functions
7.	Stress on greater discipline and parsimony in resource use	Reduce expense, encourage fiscal discipline, and avoid unnecessary spending by officials	Must examine public resource for its efficient usage and encourage minimal utilization for maximum gain

**Source:** Hood, 1991, pp. 4-5.

As for public administration scholars from Thailand, Boontan Dockthaisong (2010, p. 12) suggested six core principles for his idea on New Public Management. The first is that government must have entrepreneurial spirit and aim to develop quality of its services to gain efficiency. The second principle is that the government must cooperate with other government agencies, the private sectors, and NGOs, to achieve a social goal. In addition, it must accept that the private sector is the key driver of the economy. Thirdly, government must make result-based decision. Its performance must be measured, and laws that impede with national development must be amended. The fourth principle is that government must develop examination process for gauging benefits of policies on local communities through understanding of local laws and social value of sharing. The fifth principle is that government must delegate power to the local citizens and public servants to perform local functions; government's role is only to specify policies and make sure that such policies can achieve desirable objectives. Lastly, government must be involved in the process to address problems. Overall, Boontan Dockthaisong (2010) asserted that NPM must

emphasize performance measurement, project evaluation, and output productivity, such as to reduce fiscal spending. Furthermore, NPM must aim to increase capacity in project evaluation process, efficiency and effectiveness, promote accountability, delegate public service functions, and place greater emphasis on the local rather than on the state. On the same note, local executives must be elected; new information technology must be employed; government must control corruption through good governance; and government must defend democracy by acknowledging that everyone shares equal rights.

In summary, from these compilations of important ideas on NPM, there are a couple of aspects that are directly related to the delegation of authority to local government organizations and to the intervention on local governments. These are the principle that the government has a duty to oversee but does not need to be involved in all functions. It should delegate some authority to a community, so that its own citizen can address their own problems. In addition, government must decentralize and emphasize participant management (Osborne, & Gaebler, 1992, as cited in Boontan Dockthaisong, 2010, pp. 13-14). Another principle that relates to intervention of local government is that the government must improve its organizational structure so that the institution can be smaller. It must also emphasize decentralization and bestow some autonomy to organizations under its control (Hood, 1991, pp. 4-5). Ultimately, decentralization and delegation do not equate to completely giving all power or delegating all of government's tasks to local government organizations. In fact, the roles and functions not decentralized or delegated are the areas in which interventions by government often occur.

## **2.2 Intervention on Local Government Organizations in Foreign Countries**

### **2.2.1 England**

The report titled "A force for Change: Central Government Intervention in Failing Local Government Services" (The Audit Commission, 2002) summarized case studies of intervention on local governments in England. In the report, intervention on local government organizations occurred because of the failure of local governments

to perform their functions. British government had fulfilled its commitment by taking on tasks to improve public services, and this was done through intervention on failing services at local community level. In addition, a local government White Paper published in December of 2001 highlighted government's commitment to provision of services and government's lack of tolerance for poor performing councils and services. The government had been disappointed with the people councils for their part in ruining local government's reputation. Furthermore, the central government has hoped that the municipal council performs the 'right' duties; however, it would act swiftly and decisively should failure arise.

The 2008-2009 Sixth Report Session from the House of Commons Communities and Local Government Committee titled "The Balance of Power: Central and Local Government" (Communities and Local Government Committee, 2009) explained the relationship between England's central and local government as follows:

For many decades England has dedicated time and effort to reflect on the relationship between central and local government. The results have shown limited implementation of decentralization; it is still a serious issue without true effort to remedy. While many prominent political parties have promised a shift of power away from the center, in reality once they become the government they prove unwilling or unable to decentralize and delegate power to local governments as promised. An example of this is the case on mandatory education in which the control was transferred to the national funding councils as oppose to local governments, even though the central administration had recommended to the legislative body that it should transfer the responsibility on education for 16-18 age group to the local governments. This case highlights that the government and its ruling parties did not push the agenda hard enough as if it did not want to reduce central power. Thus, this creates an empty space between central and local government, which would likely affect local governance. Considering these facts, it can be said that promotion of local government authority by decentralizing government power is difficult to achieve in practice, especially when such power is politically important. Nevertheless, there are two good reasons for transferring of power from central to local government. The first is that if local government has more autonomy and authority, then it would have

higher capability to implement and to invent successful new policies to benefit its entire community. Secondly, if local government has more autonomy and authority like in the first point, then it can further strengthen local democracy, which can become a widespread practice throughout England.

From analysis of various documents and evidence, it can be concluded that there is desire to change the balance of power between central and local government, basically favoring a tilt towards localities. One of the main benefits of allowing local governments to have authority is that not only would it increase the balance of power, but it would also increase the degree of permanency. This degree of permanency not only includes the balance of funding but also includes specification of legal mandates in the Constitution and parliamentary scrutiny.

The relationship between the central and local government in England must be viewed in light of three factors, namely:

- 1) Extent of protection of constitutional statutes
- 2) Extent of fiscal freedom
- 3) Extent of intervention by central government

These factors are used in consideration for the establishment of the balance of power between central and the local government. Most important is the diversity of different regions while having limited resources. It is imperative that local governments be rationally flexible when implementing policy standards set at national government level. Furthermore, local government must prioritize its actions so that they reflect what is most desirable to its local citizens. Finally, it is clear that local governments desire sufficient formal powers and more general autonomy to pursue a leading local leadership role.

In summary, government should consider intervention on local government only when absolutely necessary or as the last resort. Swift intervention on local matters may hamper the process for auditing local action's transparency and may lead to lack of motivation for the local government to address its own problems. Due to overreliance on central government, the local government may also lose their accountability.

Central government should consider options to increase local government's revenue raising powers, promote local accountability, and encourage local

government autonomy. These would support local governance in two ways: 1) to be more proactive and 2) to be more proactive quickly. If these materialize, then local government organizations will be able to adapt and respond to change more quickly.

From *Local Governance in Various Countries*, Saman Rungsiyokit (2000, p. 9) talked about intervention on management of local government organizations through fiscal channel. The book highlighted that local government expenses made up approximately 25 percent of total public spending and the British government was trying to include the local expense in the composition of total public expenditure. This is due to the fact that since 1984 the central government can legally place a cap or limit on public spending, so essentially the central government could interfere with local government spending by placing limit on spending should they view the proposed budget as excessive.

Corollary to this, local governments in England generate their revenues from council tax, which could fund about 20 percent of total expense. In fact, most of local government expenditures are funded by grants from the central government and from distribution of non-domestic tax-which is taxation on corporate assets and taxes not received domestically. To this end, the income statements of local government organizations are annually audited by independent auditor appointed by the Audit Commission.

Nevertheless, there are two concerns in England's case. The first is that there is not enough local policing and healthcare services available to local citizens. If local councils were to approve or address these issues, then there must be greater emphasis on local accountability and strengthening of the security of ballot box. The second concern is that currently local councils is unable to completely assimilate local policies and health services to its strategic plan, and it has been quite some time that these public services has been called "the most important for most local people," and they are still outside the range of services provided by local governments. Finally, this points to the fact that government still has not considered the full benefit of having autonomous and empowered local governments.

In light of these concerns, the commission recommends that the Department of Health and Home Office, along with central and local governments, should establish local committees for local police and healthcare services. At initial stage, pilot



projects can be established in an appropriate area, where such committees can participate.

### **2.2.2 Japan**

“Better Local Government”, a document from the Japanese Diet-the Japan parliament-talked about classification of local governance and intervention on local government organizations. Its main points are as follows:

#### **2.2.2.1 Local Authority Classification**

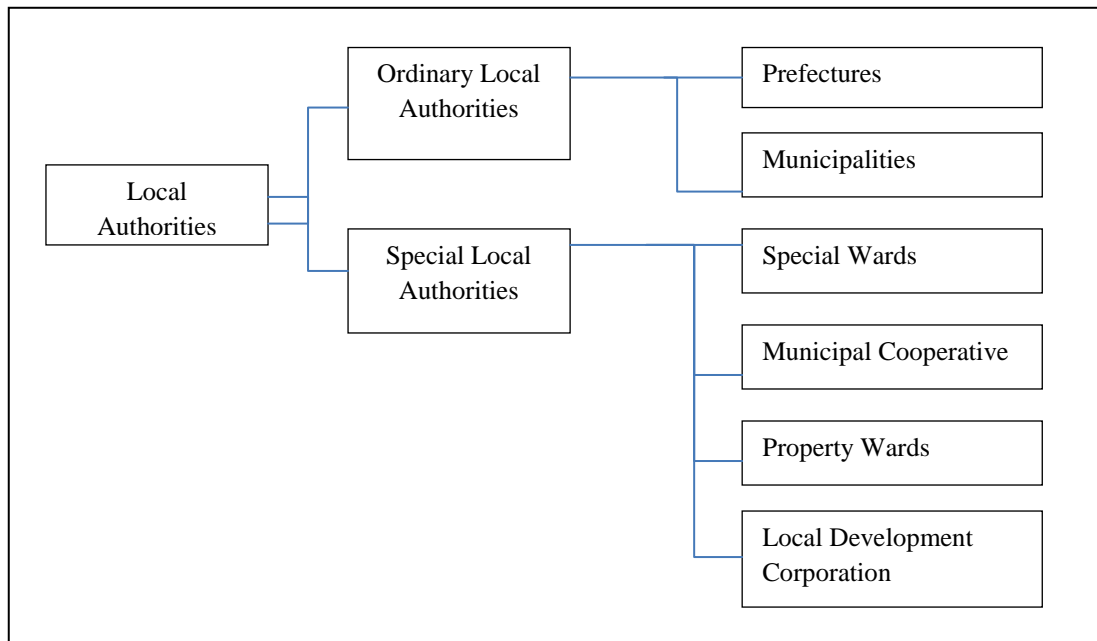
There are two types of local government organization: 1) the ordinary local authorities and 2) the special local authorities.

##### **1) Ordinary Local Authorities**

Ordinary local authorities are prevalent in Japan. The structure includes prefectures and municipalities.

##### **(1) Prefectures**

Prefectures are state’s local governing units, with authority over the entire areas and consist of many municipalities. There are 47 prefectures in Japan. They have the following prefectural responsibilities: 1) A prefecture has authority over the entire prefectural area; its mandate can allow it to draft prefectural development plan including policies on environment and improvement of irrigation and water resources 2) A prefecture has authority on communication, whether is it between central government and municipalities. A prefecture may also give advice to municipalities, such as on ways to overhaul its operations 3) A prefecture has the authority to intervene on municipalities that do not have capacities. Example of this is on establishment of high schools and hospitals



**Figure 2.1** Illustrations on Division of Local Government Organizations in Japan

## (2) Municipalities

Municipalities are considered the lower tier of local government.

Their functions are to provide the basic services, closer to the lives of local citizens.

By April 2004, there are 3,100 municipalities in Japan, and they have the following duties:

a) Municipalities are responsible for administrative actions related to normal livelihood of their local inhabitants. These include family and home registration, home planning, and issuance of official documents

b) Municipalities have mandates concerning issues with regards to public safety and health and environmental protection. Examples of this include fire prevention, waste management, water system, and public parks

c) Municipalities have mandates relating to urban development. For example, they may be involved with city planning, constructions and maintenance of roads, management of waterways, and provision of other facilities

d) Municipalities have mandates concerning the establishment and set up of public facilities within their territories. This may include

set up of community hall, children nursery, primary and secondary schools, and public libraries

#### The Relationship between Prefectures and Municipalities

Prefectures and municipalities are both independent organizations and one are not legally superior to the other. However, they have different duties due to the difference in their basic nature. On one hand, a prefecture is a state's area that encompasses many municipalities. On the other hand, municipalities are basic local governments that deal closely with the daily lives of their respective citizens. A prefecture may give advice to municipalities or comment on its overall areas. Some prefectural functions may involve granting budgets to various municipalities.

#### 2) Special Local Authorities

An organization is aptly identified as a special local authority when it is special in nature and circumstances. The current forms of special local authorities in Japan are

(1) Special Wards-It is found only in Tokyo, such as in the Chiyoda and Shinjuku area. Tokyo currently holds 23 special wards. These wards have mandates and responsibilities similar to municipalities, however, with some exception like the fire department is controlled by the authority of Tokyo. Furthermore, the mayor and the advisory board are elected directly.

(2) Municipal cooperatives-municipal cooperatives are formed by cooperation between two or more municipalities. These municipalities join together to perform their mandates and duties they believe can be accomplished more effectively and efficiently by working with one another. Types of municipal cooperatives are

a) Partial Cooperatives-established to provide public services on special occasion such as establishment of hospitals and schools

b) Wide-area union-established to lay out plans and provide public services covering large area and in a broad and systematic way

c) Administrative cooperatives-established to perform administrative duties for successful management of cities and communities

d) Full Cooperation-established to satisfy mandates for provision of public service in cities and communities

(3) Property Wards-Property wards are special local authority established by a district or municipalities, with duties to manage properties. Property wards are generally located in mountainous or arable land and are rarely located in cities. Main assets in property wards are forestry assets, mountains, graveyards, properties with homes, farms, and hot springs.

(4) Local Development Organizations-local development organizations are established by two or more ordinary local authorities to identify and prepare an area for major construction of public utilities in accordance with the overall development plan

#### 2.2.2.2 Intervention on Local Government Organizations in Japan

Relationship between the central and local government involves the understanding that central government must respect the extent of independence and autonomy possessed by local governments. Intervention on local governments can be done only in certain situations in which it is legally compliant. There are three channels for intervention: 1) legislative channel, 2) judicial channel, and 3) administrative channel.

##### 1) Legislative Intervention

Central government may intervene on the administrative duties of local governments through the Diet. Nevertheless, such intervention must not contradict the idea of local autonomy stated in the Japan Constitution.

##### 2) Judicial Intervention

Lawsuits relating to local government organizations must be made through the Court of Justice. Legitimacy between central and local government's case must consider the extent of jurisdiction. The wording of the lawsuits may not be completely explicit to create room for interpretation and reconciliation through judicial process.

##### 3) Administrative Intervention

Administrative intervention is the most utilized form of intervention employed by central government. It can be used in a form of quasi-legislative intervention, such as the Cabinet directives, regulations or rules created by ministries; or in a form of quasi-judicial intervention, (such as appeal orders by the court of law). Administrative intervention can be divided into two forms: 1) non-authoritarian like giving advice, recommendations, and observation; and 2)

authoritarian form such as giving permission. These forms of intervention must be based on regulations or Cabinet's directives and must consider the idea of local autonomy. If local governments do not accept administrative intervention, it may require a review by the Central-Local Government Dispute Resolution Council.

The main channel for administrative intervention is through finance (Saman Rungsiyokit, 2000, pp. 51). A prefecture generates its revenue from collection of various taxes such as on corporate and businesses, permits, and transportations. However, these proceeds are often not enough to fund its administrative functions and activities. Therefore, most prefectures rely on funding from central government; in fact government's funding make up the majority of prefecture finance.

Most often the central administration funds local governments through equalization grants, which help supplement local revenues and target rural prefectures with low income. These grants may amount up to 15 to 20 percent of a prefecture's revenue and are given without condition attached. In addition to grants, local governments are also funded through subsidies given by various ministries. The objectives of subsidies are

- 1) To fund the expense associated with functions the central government directs the local governments to partake;
- 2) To support prefectures so that they can maintain sufficient public services;
- 3) To aid prefectures in the case of natural disaster or emergency situation; and
- 4) To support a specific program taken by a prefecture.

Funding through subsidies often makes up 30-50 percent of local government revenue; however, they are funded with certain conditions. That is the government may only fund the prefecture that is specifically performing a certain function on behalf of the government. Furthermore, permission must be granted before a prefecture can receive subsidies, implying that the central government has a power to control and influence on certain projects or activities. In general, prefectures usually receive subsidies for education, agriculture, and social welfare programs.

### **2.2.3 South Africa**

“Local Government Turnaround Strategy: Working Together, Turning the Tide in Local Government,” a document by South Africa’s Department of Cooperative Governance and Traditional Affairs explained the issues of government intervention on local organizations. The document used an intervention framework called Local Government Turnaround Strategy (LGTAS), which defined the work necessary to drive forward the government and society through improvement in governance of local governments. To ensure successful implementation, LGTAS framework prioritizes the work based on importance.

In South Africa, intervention by central government can be executed through various channels, namely:

- 1) Service delivery-the intervention is through better planning and oversight over local service delivery
- 2) Governance-the intervention is through addressing constitutional and legislative weaknesses in municipal governance. Furthermore, central government may tackle issues pertaining to professionalization and administrative stabilization of local government
- 3) Local economic development-through this channel the government is involved in adjusting the extent of local governments’ actions and functions pertaining to local development work. This will also involve assessing the level of economic development in all districts
- 4) Labor relations-the intervention under labor relations will be to strengthen local labor relations to support development of local government
- 5) Intergovernmental fiscal system-the intervention channel involves the reform on the intergovernmental fiscal system to financially support poor and underdeveloped municipalities

### **2.2.4 France**

Local Governance in Various Countries, by Saman Rungsiyokit (2000, pp. 27-30), mentioned the following with regards to France’s local governance.

Article 72 of the Constitution of France specifies the statute with regards to local governance:

“The territorial communities of the Republic shall be the Communes, the Departments, the Regions, the Special-Status communities and the Overseas Territorial communities to which (can be established by statute).”

“In the conditions provided for by statute, these communities shall be self-governing through elected councils and shall have power to make regulations for matters coming within their jurisdiction.”

“In the territorial communities of the Republic, the State representative, representing each of the Members of the Government, shall be responsible for national interests, administrative supervision and compliance with the law.”

One can see that the first quotation on Article 72 specifies that certain types of organization be automatically considered local government organizations (also known as the territorial communities) such as the commune (municipality) and the department (province). On the other hand, other organizations can be established as local governments by the statute. An example of this is region, which is established as a local government under the Gaston Defferre Law (Decentralization Act) of 1982.

In addition, the second passage from Article 72 emphasizes the autonomy of local governments. In fact, the Constitutional Court (Conseil Constitutionnel) and the Administrative Court (Conseil d'Etat) have cited this article in reaching decisions regarding conflicts between central and local government.

The last passage from Article 72 points to the extent of government control on local government organizations-that it should be in response to national interest and for compliance with the law. Therefore, there cannot be intervention beyond these extents. Furthermore, the existence of central government personnel within local structures suggests permanency of local institutions.

#### 2.2.4.1 Structure of Local Governance

There are three tiers to France's local governance system, namely the commune, the department, and the region.

##### 1) Commune

The commune is the foundational local government organization in France. There are currently 36,736 communes, with 22,000 having population less than 500 and 10,000 communes with less than 2,000 people. On the other hand, large communes like Paris, Lyons, Marseille have population over one

million. Thus, services provided by communes vary in one place to another depending on the size of the population.

Commune administration consists of the municipal council (Municipal Conseil) and the mayor (maire) who is the leader of the commune. Members of the municipal council are elected through election and have a term of six years. The members of the council choose one person among themselves to serve as the mayor.

The basic services provided by communes include 1) Roads 2) Social welfare 3) Public health and sanitation e.g. waste collection, graveyards, water sanitation 4) Civil enterprise e.g. fresh market, transportation 5) Cultural facilities e.g. school, music, auditorium, theater

## 2) Department

Department is a type of local government organizations that is at a higher level than a commune and is a unit of a region; it shares its area with part of a region. Currently there are over 100 departments, each one hold from 70,000 to 2.5 million people. As a local government organization, the administration of a department involves the department council (Conseil General) and the council president (President du Conseil General) as the department leaders. Members of the department council are elected directly from local citizens and have a term of six years. The members would choose one representative among themselves to serve as the president. The responsibilities or services provided by department as a local government organizations include: 1) Main roads 2) Junior high schools 3) Public recreation and culture

On the other hand, a department also serves a role as a working unit of a region. It would have the governor of the department (Prefet de Departement) who is appointed by the Cabinet and be subordinate to the Ministry of Interior (Ministere de L'Intereur). Not only does the governor serve as the head of agencies the central government set up in a department, but his roles also include providing advice and recommendation to council members and president with regards to government policies and regulations.

## 3) Region

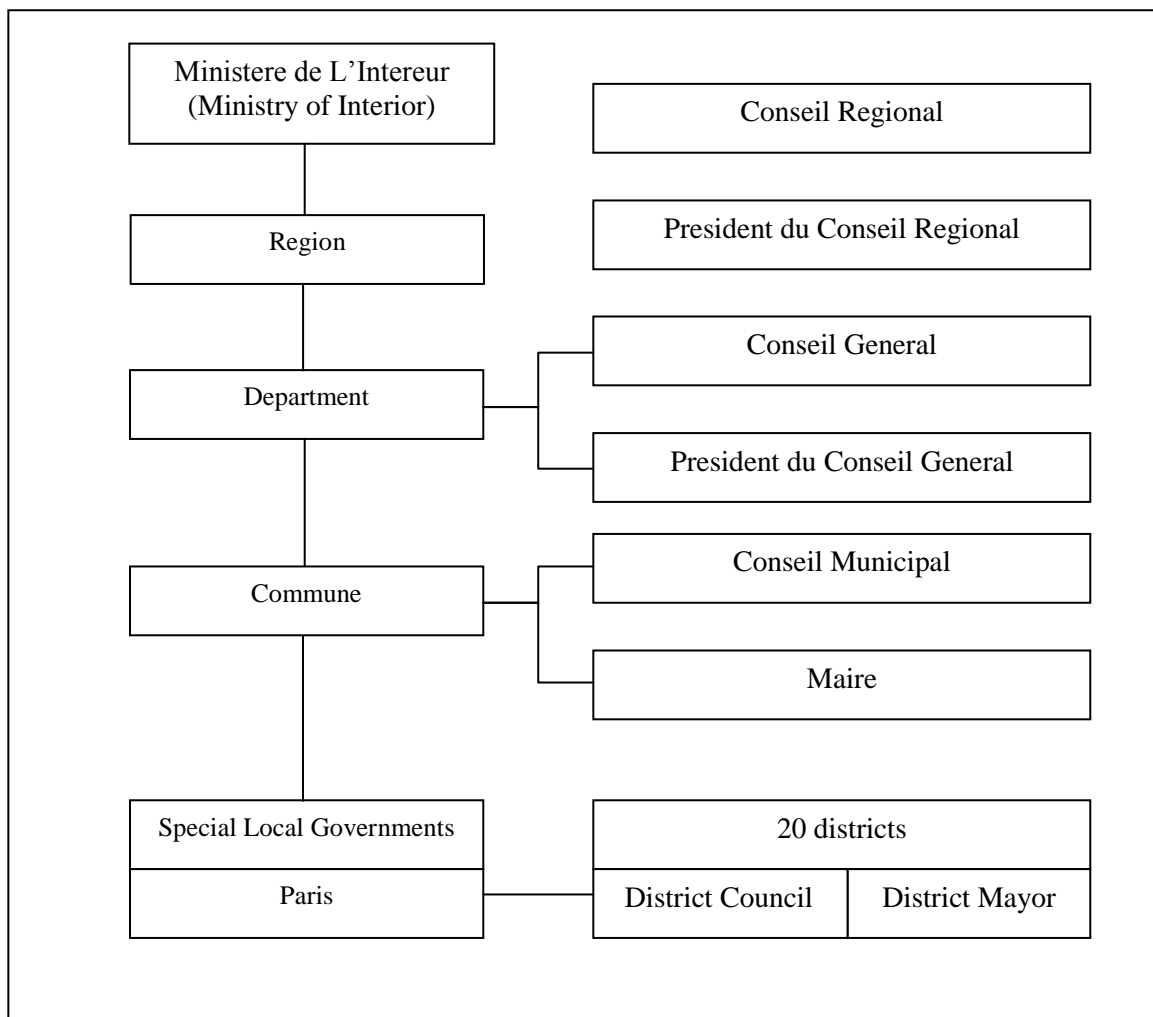
Region is the newest class of local government organization; it was established under the Decentralization Act of 1986. Currently, there are 26



regions in France. The background behind the establishment of a region as a local government organization came about because the government viewed that a single department is too small of an organization to build a fundamental economic base. The government believed a combination of various departments to create a region was a more appropriate, so the 26 regions were established (including four overseas territories).

The administration of a region consists of the regional council (Conseil Regional) and the regional president (President du Conseil Regional) who is the leader. The council is elected directly by the local inhabitants and has a term of six years. The members of the council would choose one person among themselves to serve as the regional president. Similar to the structure of a department, there will be a governor of the region (Préfet de Région), who is appointed by the Cabinet and belong to the Ministry of Interior. His roles would be to give advice and make sure than the region council and its president perform their duties in accordance with government policies and regulations. Generally, the governor of the department that is the capital of the region also serves as the governor of the region. The responsibilities or services provided by a region, as a local government organization, mainly deal with various aspects of development including: 1) Economic development 2) Healthcare and social service development 3) Cultural and scientific development 4) Management of public services in the region

France's local governance structure is summarized in Figure 2.2 below.



**Figure 2.2** France's Local Governance Structure

#### 2.2.4.2 The Relationship between Central and Local Government

Prior to 1982 the department governor had the authority to control and direct various local government organizations. This authority was legally abolished on March 2, 1982, affecting its power to control and direct actions as well as its ability to make decision regarding local government finance.

Currently, any actions of the local governments are under the jurisdiction of the administrative court. The department governor, once the person in charge of granting permission and prohibiting activities, is no longer in possession of that type of authority. The governor's mandate now is only to report local government's actions not in compliant with the laws to the administrative court, so

that the court can decide whether to issue an injunction. In addition, with regards to the control of local government's finance, the region's Court of Audit is established to oversee the finance of local governments. Its mandate is to audit three areas:

- 1) Budget
- 2) Accounting
- 3) Administration

Against this background, one may wonder what the role and authority of the department governor is now that he no longer is the administrator of the department. In fact, besides its mandate to report compliance issues to the administrative court as mentioned above, the department governor still holds the following authority:

1) Department governor is a representative of the central government for the respective area. The governor is appointed by the French President under his Cabinet resolution. The governor has two important duties:

(1) General and Implicit Mandates: 1) The department governor holds the power of the central government 2) The governor is the representative of the Prime Minister and the Cabinet, thus, acting as the superior of various government agencies within his respective department 3) The governor acts as the protector of national interest, to command and enforce compliance with the laws and government policies

(2) Concrete Mandates: 1) The governor oversees the department public order 2) The governor has the authority to sign contracts with legal entities of behalf of the government 3) The governor is the representative of the central government in activities relevant to government agencies or state-owned enterprises funded by the government 4) The governor acts on behalf of the government in expressing thoughts and concerns in the department council 5) The governor serves as the president of the various councils on governance in his respective areas, with the exception of the judiciary and penitentiary related organizations 6) The governor acts as the center of information and cooperation in a department

2) Department governor acts as a direct superior to various government officials whom are assigned to their respective departments, whether they

belong to ministries or state agencies. Prior to 1982, the department governor only had the authority to support and coordinate the duties of various officials in his department, with the exception of military officials, public teachers, communication officials, and judiciary officials.

#### 2.2.4.3 The Relationship Among Local Government Organizations

The assertion of local government organization's "independence" does not necessarily point to solely independence from the central government, but it also implies aspects of independence with regards to relationships with other local government organizations. Two main points shall be elaborated with regards to local government independence:

- 1) In the case in which the law has specifically given a mandate to a local government, no other local governments shall intervene or interference with that mandate

- 2) Notwithstanding the size of each local government, whether large or small, no local governments shall have the authority to administer and oversee other local governments

Despite the above points, it is often found that local governments in France, whether it is the region, department, or commune, appear to exhibit strong relationship in the following areas:

- 1) Technical supports including knowledge, tools, and equipment. This is quite apparent in the communes in rural areas, which often request for aid from the department or the region

- 2) Financial support among one another. This usually happens when one local government wishes to provide a particular service in its area, but the provision of service is under the jurisdiction of another class of local organization who does not have enough funding. In this case, the first local government may provide financial aid, which can mutually benefit the two organizations.

## **2.3 Intervention on Local Government Organization Through Public Policy**

Intervention on local government organization through public policy in Thailand can be extracted from the policies set out by the government in

The Constitution of the Kingdom of Thailand, B. E. 2550 (2007)

- 1) Government policies (during Yingluck Shinawatra's Premiership)
- 2) The Eleventh National Economic and Social Development Plan 2012-2016 (B. E. 2555-2559)
- 3) Determining Plans and Process of Decentralization to Local Government Organization Act, B. E. 2542 (1999)
- 4) Regulations on Local Governments Finance
- 5) Revenues according to Municipality Act, B.E. 2496 (1953) (13<sup>th</sup> draft amended B. E. 2552 (2009)) \
- 6) Process for Formulating Municipal Plan

The following provides summary and analysis to each item.

### **2.3.1 The Constitution of the Kingdom of Thailand, B. E. 2550 (2007)**

In the Constitution of the Kingdom of Thailand, B. E. 2550, Chapter Five on Directive Principles of Fundamental State Policies is at the heart of the matter in which the government should study and utilize, to direct government policies and administer state affairs under the three governing branches: 1) the executive, 2) the legislative, and 3) the judicial branch. In the proceeding section, the researcher presents important passages from the Directive Principles of Fundamental State Policies relating to local governments and intervention.

#### **Chapter V**

##### **Part 1 Directive Principles of Fundamental State Policies General Provisions**

Section 75-“The provisions of this Chapter are intended to serve as directive principles for legislating and determining policies for the administration of state affairs.

In stating its policies to the National Assembly, the Council of Ministers which will assume the administration of state affairs shall clearly state to the National Assembly the activities and their implementation period intended to be carried out for the administration of state affairs in implementation of the directive principles of fundamental state policies provided in this chapter and shall prepare and submit to the National Assembly an annual report on the result of the implementation, including problems and obstacles encountered.

Section 76-The Council of Ministers shall prepare a plan for the administration of state affairs stating measures and their details which shall be done for the administration of state affairs in each year and such plan shall be in compliance with the directive principles of fundamental state policies.

For the purpose of state administration, the Council of Ministers shall have the plan to enact laws necessarily to the administration of state affairs.”

#### Part 2 National Security Policy

Section 77-“The state shall protect and uphold the institution of kingship and the independence and integrity of its jurisdiction...”

#### Part 3 State Administration Policy

Section 78-“The state shall act in compliance with the state administration policy as follows:

- 1) Carrying out administration of state affairs to sustainably develop society, economy and security of the nation, and must promote implementation of the Sufficient Economy philosophy with regard to general benefits of the nation;

- 2) Organizing the duties, powers, and responsibilities among central administration, provincial administration and local administration to be clear and suitable for national development, and supporting provincial development plan and providing financial support for the implementation of such plan for the benefits of citizens in the area;

- 3) Delegating powers to local governments for the purpose of autonomy and self-government of local affairs, and support local governments to participate and act in compliance with the directive principles of fundamental state policies...”

#### Part 4 Religions, Social, Public Health, Education and Culture Policies

Section 80-“The state shall act in compliance with the social, public health, education, and culture policies as follows:

- 1) Promoting and supporting the delegation of powers to local governments... organize and participate in educational management for the development of educational standard in accordance to the fundamental state policies...”

#### Part 5 Law and Justice Policies

(None of the clauses or texts is related to local government organizations)

#### Part 6 Foreign Policy

(None of the clauses or texts is related to local government organizations)

#### Part 7 Economic Policy

Section 83-“The state shall encourage and support an implementation of the Sufficient Economy philosophy”

#### Part 8 Land Use, Natural Resources, and Environment Policies

Section 85-“The state shall act in compliance with land use, natural resources, and environmental policies as follows:

- 1) Preparing city planning and developing and carrying out such plan effectively and efficiently...

- 2) Promoting, conserving, and protecting the quality of the environment under sustainable development principle, and controlling and limiting emission of pollution which may affect health, sanitary, welfare and quality of life of the public, by encouraging them to be involved in determining the policies’ directions and administration.”

#### Part 9 Science, Intellectual Properties and Energy Policies

Section 86-The state shall act in compliance with the science, intellectual properties and energy policies as follows:

- 1) Supporting creation and innovation for new ideas, preserving and developing local wisdom and Thai wisdom, and protecting intellectual property...”

#### Part 10 Public Participation Policy

Section 87-“The state shall act in compliance with the public participation policy as follows:

- 1) Encouraging public participation in the determining policies and develop social and economic development plan both at the national and local level

- 2) Encouraging and supporting public participation to make decision on politics and the making of economic and social development plan and the provision of public services

- 3) Supporting the provision of education to the public relating to development of politics and public administration under the democratic regime of

government with the King as Head of State, and encouraging the public to exercise their rights to vote honestly and uprightly...”

### **2.3.2 Government Policies (During Yingluck Shinawatra’s Premiership)**

The government under Yingluck Shinawatra’s premiership announced the following policies to the Council of Ministers on August 23, 2011: “the Council of Ministers has now completed the formulation of its policy on the administration of state affairs-in adherence to the system of parliamentary democracy with the King as Head of State and encompassing the fundamental policy approach stipulated in Chapter 5 of the Constitution of the Kingdom of Thailand. The government has divided the period of implementation into two phases, namely 1) the urgent phase, during which work will be carried out in the first year, and 2) the four-year administrative phase of the government, during which national development will be carried out in such a way as to ensure quality, balance, and sustainability with immunity, in line with Sufficiency Economy philosophy...” These are summarized as follows:

#### **2.3.2.1 Urgent Policies to be Implemented in the First Year**

- 1) Foster reconciliation and harmony among people in the nation and restore democracy
- 2) Prevention of and define solutions to drug problems as a “national agenda”
- 3) Earnestly prevent and fight against corruption in the public sector
- 4) Promote integrated water management and promptly expand irrigation areas
- 5) Expeditiously return peace and security to people’s life and property in the Southern Border Provinces
- 6) Expeditiously restore relations and develop cooperation with neighboring countries and other foreign countries
- 7) Alleviate difficulties of people and entrepreneurs as a result of inflationary pressure and high oil prices



8) Raising people's standard of living by enhancing domestic purchasing power and creating balance and strength with quality in the macroeconomic system

9) Reduce corporate income tax

10) Improve people's access to sources of funding

11) Raise the price of agricultural products and enable farmers to gain access to sources of investment

12) Expeditiously increase income generation from domestic and in-bound tourism

13) Support development of folk arts and crafts in order to promote and create local identity and local products

14) Further develop the health insurance system

15) Procure tablet PCs for schools

16) Expedite political reforms with broad based public participation

#### 2.3.2.2 Policies to be Implemented during the Four-Year Administrative Phase of the Government

##### 1) Policy on National Security

(1) Uphold, protect and preserve the institution of the monarchy

(2) Develop and strengthen the armed forces and national defense capability

(3) Develop and strengthen international cooperation

(4) Develop a national preparedness system

(5) Expeditiously resolve the problems of drugs, organized crime, human trafficking, illegal immigration, illegal foreign workers and individuals without legal status

##### 2) Policy on Economic

(1) Macroeconomic Policy

(2) Policy on Income Generation

(3) Economic Restructuring Policy

(4) Policy on Infrastructure, Rail Transport System Development and Management of Goods and Services Transportation

- (5) Energy Policy
- (6) Information Technology Policy
- 3) Policy on Social and Quality of Life
  - (1) Education Policy
  - (2) Labor Policy
  - (3) Public Health Policy
  - (4) Policy on Religions, Arts and Culture
  - (5) Life and Social Security Policy
- 4) Policy on Land, Natural Resources and the Environment
- 5) Policy on Science, Technology, Research and Innovation
- 6) Policy on Foreign Affairs and International Economic
- 7) Policy on Good Governance

#### Efficiency in the Administration of State Affairs

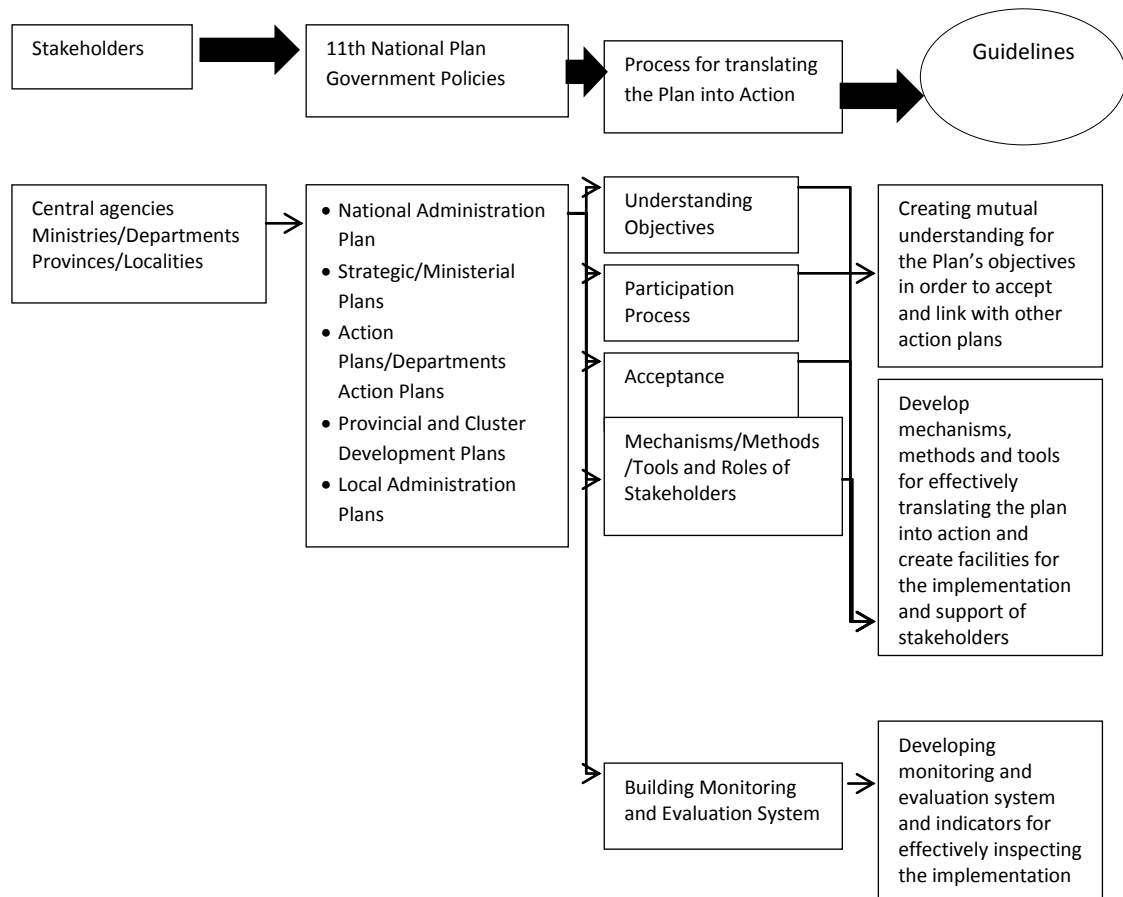
Under Section 8.1.6 - Support local administrative organization to adopt efficient and transparent systems, enabling them to deliver public services that respond to people's needs and expectations. Improve management of the central, regional and local bodies. Increase the proficiency of local budgetary and personnel administration in order to provide local authorities with an appropriate level of income and efficient personnel management conducive to providing a good public service. Propose laws to strengthen local authorities as stipulated in the Constitution, Section 14: Local Administration.

- 1) Law and Justice
- 2) Promote people's opportunities to extensively, fairly, and promptly access public and official information, mass media and all other public media outlets

### **2.3.3 The Eleventh National Economic and Social Development Plan (2012-2016)**

Chapter 2 of the Eleventh National Economic and Social Development Plan (2012-2016) specifies the "vision and development strategies", in which 1.1 The Main Concepts are derived from guiding principles from the Eighth through Tenth Plans. The Plan adheres to the "Philosophy of Sufficiency Economy", and it focuses on

progress that is people-centered while balancing the various dimensions of development. In addition, Chapter 9 highlights ways to “translate strategies into actions”. The chapter lays out the guidelines for the implementation of the Eleventh Plan as follows:



**Figure 2.3** Translating the Eleventh Plan into Action

Furthermore, the plan also specifies the common understanding, strategic plans, and development issues, including the links of the Plan applicable to government policies, its administrative plans and plans at other governing levels. The translation of the Plan into actions would be conducted at various levels, starting from government policies, administrative plans, central agencies plans, and regional and local plans and the other stakeholders' plans. The process will be conducted in a

procedural manner, with directions, objectives, and performance indicators clearly specified. The priority will be on the most pressing issues and the revenue planned. In all, the Eleventh Plan is a supplementary framework to the government policies, announced to the Council of Ministers, which aims at creating administrative plan that provides directives on setting budgets, allocating resources, and specifying time horizon on implementation and evaluation process.

Central agencies would integrate the Plan with strategic budget planning to set guidelines for ministries and departments to create budget proposal for a four-year administrative plan and an annual reform under their respective duties. Furthermore, the Eleventh Plan also assigns local government organizations to bring forth their proposals, which meet the needs from local inhabitants, to be included in the plans at provincial, municipality, or city municipality (those with higher capacity) levels. Finally, on “city planning”, the Plan aims to lift the quality of the standard of living of city inhabitants, facilitate social and economic development within cities and surrounding areas, and preserve the suitability of environment to strike the balance between human and environmental resources.

#### 2.3.4 State Administration Act, B. E. 2534 (1991)

The Royal Decree on State Administration is one of the most important channels for intervention through the laws or legislations. The extent of intervention is derived through many important clauses. For example, section 4 “Organizations of State Administration” declares the administrative laws for various levels of government agencies: 1) regulation on central agency administration, 2) regulation on regional agency administration, 3) regulation on local agency administration.” In addition, section 52/1 authorizes the “provinces to have the following authorities... 5) to encourage, support, and aid local government organizations so that these organizations can successfully complete the tasks and mandates delegated from ministries, departments or offices.” In Section 57 “the provincial governor has the following authorities and mandates... 7) directing and overseeing the administration of locality in accordance with the laws.” Furthermore, in Section 61/1 (3) the provincial governor must take on role to “coordinate with local government

organizations to work with communities in creating community plan, to take on financial support from local governments...” Section 65 specifies the roles of chief district officers: “the chief district officers have the following authorities and mandates 4) controlling and overseeing the administration of districts in accordance with the laws.” Section 70 classifies the types of local government organizations as follows: 1) provincial administrative organizations, 2) municipality, 3) county, 4) other government organizations specified by the laws (e.g. Bangkok, sub-district government organizations, and the City of Pattaya). With regards to governance of these local governments, Section 71 states that “the administration of provincial administrative organization, municipality, county, and other government organizations specified by the laws shall be in accordance with the laws applicable to each type of local governments.”

### **2.3.5 Determining Plans and Process of Decentralization to Local Government Organization Act, B. E. 2542 (1999)**

The Royal Decree on Determining Plans and Process of Decentralization to Local Government Organization allows the legislative body to intervene on local organizations through setting policy on how central government delegates and decentralizes power. The government or the executive body can intervene through a committee responsible for delegating authorities to local governments. This form of intervention is highlighted in Section 12, which states: The committee shall have powers and duties as follows:

- 1) To establish decentralization plan to local government organizations and implementation plan to be approved by the council of ministers and notify to the national assembly;
- 2) To delineate power and duties in the management of public services between the state and local government organizations and among local government organizations themselves;
- 3) To improve the ratio of taxes, duties, and income between the state and local government organizations and among local government organizations themselves...;

6) To give recommendations to the Council of Ministers relating to the approval of decentralization or the authorization as prescribed by law, so that local government organizations can approve or authorize;

7) To suggest various measures on finance, fiscal policy, taxes and duties, budget, fiscal discipline, and finance of local government organizations...;

10) To suggest to the Council of Ministers to increase budget allocation to the local government organizations so that they can perform the missions transferred from central administration;

11) To consider the regulations on subsidized funds allocated to local government organization as necessary; and

12) To suggest and set up the inspection system including public participation in localities.

Furthermore, Section 16 allows the municipalities, City of Pattaya, and sub-district administrative organizations the power to systemize provision of public services for the benefit of local communities such as to establish local self-development plan. All in all Section 16 specifies 31 mandates for the municipalities, City of Pattaya, and sub-district administrative organizations.

Chapter 3 of the Act specifies the allocation of taxes and duties. Essentially, this section presents the intervention on local governments' finance, because local governments may only generate revenue through the taxes, fees, and other income prescribed by laws. Section 23 states that municipalities, City of Pattaya, and sub-district administrative organizations may receive income from taxes, duties, fees and revenues as follows: 1) land and house tax... 2) local development land tax... 3) billboard tax..., 4) value-added tax, 5) specific business tax..., 6) excise tax..., 7) automobile tax, 8) gambling tax, 9) education tax..., 10) animal killing duty..., 11) swallow nest duty..., 12) mineral royalty fee under the law on mineral after deduction for state income at the rate of 40 percent..., 13) petroleum royalty fee under the law on petroleum after deduction for state income at the rate of 40 percent..., 14) registration of title license fee and juristic act relevant to immovable property with capital within that area..., 15) Airport fee..., 16) liquor and gambling license fee, 18) fee from using of water from artesian well..., and 20) other income prescribed by law.

Chapter 4 specifies the "Decentralization Plans to Local Government Organization." Under Section 30 of Chapter 4, the decentralization plans to local

government organization shall be proceeded as follows: 4) appropriately determine the allocation of taxes and duties, subsidized funds and other income to local government organizations in harmony with the tasks and duties of each type of local government organizations... Within the period not exceeding year 2006, local government organizations shall receive the increased revenue in the ratio of government revenue of no less than 35 percent... 5) Set aside the annual appropriation relating to the public services in local government organization. The state shall allocate subsidized fund according to the necessity and the needs of that local government organization.

In summary, the Determining Plans and Process of Decentralization to Local Government Organization Act, B.E. 2542 paves way for intervention on local government organization through the legislative framework. Such legal intervention in turn allows the administrative body or the government to intervene on local governments using public policy, especially in the area of income generation and human resource management. Therefore, this Royal Decree can be considered an important government policy.

### **2.3.6 Regulations on Local Governments' Finance**

The Ministry of Finance (MoF) passed a Regulation on Receiving, Disbursing, Depositing, Maintaining, and Auditing of Funds for Local Government Organization, B. E. 2541 (1998). This ministerial regulation represents another example of government intervention through public policy through the legislative channel. One important point lies in Clause 4; it states that the MoF's Permanent Secretary shall maintain policies as prescribed by this regulation and has the authority to judge and interpret its implementation, unless actions are already complied with the regulation. Furthermore, the Permanent Secretary also has the power to define the rules and implementation plan so that actions are complied with the regulation. The Permanent Secretary may delegate some tasks to the provincial governor, and according to Part 8 on "Fiscal Inspection" clauses 88, 89, 91, 92 and 93 authorize to the provincial governor, chief district officer or the deputy district officer (as the head of sub-district), and the Office of the Auditor General to oversee local administrations and monitor disbursement of funds. Furthermore, the MoF passed a regulation on Budget



of Local Government Organization, B. E. 2541 (1998), amended in B.E. 2547 (2004), authorizing the provincial governor and chief district officer or the deputy district officer the power to approve annual budget and expense of local government organizations depending on cases.

### **2.3.7 Revenues According to Municipality Act, B. E. 2496 (1953) (13<sup>th</sup> Draft Amended B. E. 2552 (2009))**

According to the Municipality Act, B.E. 2496 (and amended for the 13<sup>th</sup> draft in B. E. 2552), Part 5 Section 66 (amended by the 2<sup>nd</sup> draft of the Municipality Act, B. E. 2498 (1955)), specifies the source of revenue for the municipality as follows:

- 1) Taxes as prescribed by law
- 2) Licensing fees, permission fees, and fines as prescribed by law
- 3) Revenue generated from asset of municipality
- 4) Revenue from public utilities and civil enterprises
- 5) Bonds or loans as prescribed by law
- 6) Loans from ministries, departments, organizations, or other legal entities
- 7) Subsidies from the government or provincial administrative organization
- 8) Funds and assets from donations
- 9) Other income as prescribed by law

### **2.3.8 Process for Formulating Municipal Plan**

Under the Determining Plans and Process of Decentralization to Local Government Organization Act, B. E. 2542 and the Ministry of Interior (MoI)'s Regulation on the Establishment of Development Plan for Local Government Organization, B. E. 2548, municipality are authorized to create its own development plan, and this creation process must comply with MoI's Regulation on Creation and Cooperation of Local Government Organization, B. E. 2546 (2003). That is whichever the direction of development the municipality chooses, it must have a defined vision or a future goal and be able to translate the process to implementation in compliant with the regulation. The regulation specifies three types of development plan for local government organizations.

### 1) Strategic Development Plan

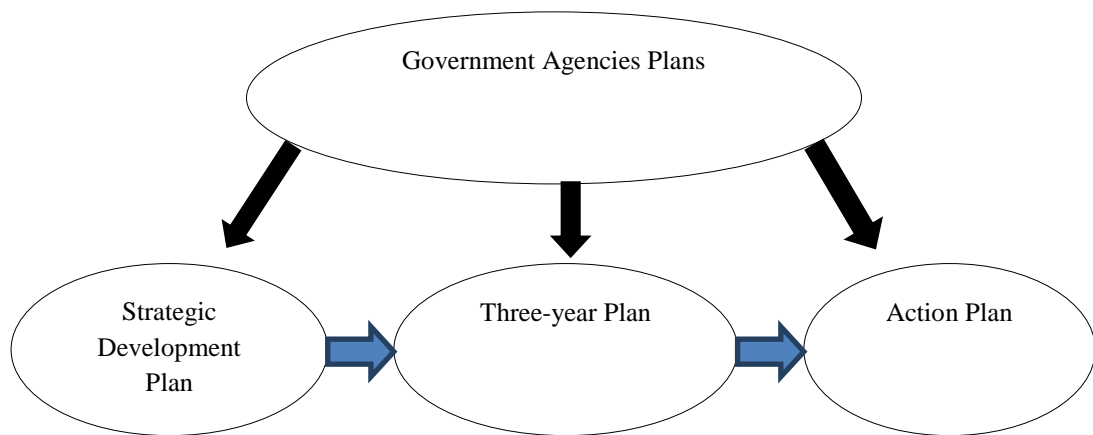
It is a long term development plan, involving local government's plan to improve social and economic conditions through strategic planning and development in local government organization. Ultimately, strategic development plan aims to show vision, duty, and goal for future development, in line with Thailand's National Economic and Social Development Plan, provincial development plan, and district development plan.

### 2) Three-Year Development Plan

The three-year plan is a "rolling plan", which involves both implementation and assessment on a yearly basis, leading to the process for setting annual budget for local government organizations. The three-year plan is a social and economic development plan for local governments that is in line with the strategic development plan while providing details on programs and projects conducted during a fiscal year, which is expected to continue for the duration of three years. Because the plan requires a yearly assessment, the nature of the plan is thus closely related to the formulation of the yearly budget. In particular, a municipality uses development plan as a guideline to formulate annual expense. The municipality would derive its budgets from expense related to programs/projects under a plan to be implemented in the fiscal year, so that the budget planning process is conducted cautiously and through process of public participation.

### 3) Action Plan

It is the administrative plan for local government organizations, highlighting details on programs, development projects, and activities that have been implemented in each region during a fiscal year. This way the public would know the development activities being taken place in their areas.



**Figure 2.5** Relationships between Local Government Organizations' Development Plans

The organizations involved in the formulation of development plans include

1) Municipal Development Committee is an organization with a role to specify local development plans to conform to the National Economic and Social Development Plan, the government policies, district development plan, and community plan. In addition, the committee also advises on local development

2) Support Committee for Drafting of Municipal Development Plan is an organization with a role to arrange development plan to conform to the plans specified by the Municipal Development Committee

3) Coordinating Committee on Local Development Plan is an organization with a mandate to define and coordinate the extent, direction, and path of development for local government organizations within a province to conform to the strategy and development plans for both the province and the district. Furthermore, the committee also has a role to verify, analyze and coordinate development plan for local government organizations in a province and sanction their draft strategic development plan or three-year plan. The committee also compiles information on local government organizations, so that such information can be useful for coordinating plans. The committee may delegate authority to sanction a draft development plan to the Coordinating Subcommittee on District Development Plan,

so that the subcommittee can act on behalf of the committee and within the boundary and the policies on development plan defined by the committee.

The other key actors that made up of the organization required for drafting and coordinating development plans (besides the Support Committee for Drafting of Municipal Development Plan) have tripartite characteristics. They are consisted of representatives from local government organizations, regional government offices and state-owned enterprises, and the local public in equal proportion. The goal of this combination of actors is to coordinate, integrate as well as establish a procedure for public participation in local administration.

With regards to composition of the strategic development plan, laying out a strategic development plan is important for the municipality, because a strategic plan is a development plan that aims at achieving a desired circumstance by keeping up with changing environment. Under this plan limited resources are efficiently allocated. Thus, creation of a strategic development plan emphasizes that a path for municipal development be set based on desired outcomes and the ways in which such outcomes can be achieved. A good way to compose a strategic development plan must be based on all-around and systemized information gathering and analysis so that the strategic plan can truly be used to address problems and respond to the needs of local citizens.

#### Steps to Formulate Strategic Development Plan

##### Step 1 Preparation for Composing Strategic Development Plan

The Technical Service and Planning Division is an agency that is responsible for formulating local development plans. They often meet up with local executives to explain the plan's objectives, importance, and ways to formulate a strategic development plan. Subsequently the agency would initiate a project to formulate a strategic development plan for a municipality by sending project proposal to the municipal clerk to get approval from the local executives.

##### Step 2 Data Collection and Core Problems

To formulate a strategic development plan, complete information and data must be gathered, including basic information on politics, economy, and society. The data collected must show the likelihood of change, statistical averages, data analysis as well as author's opinion. Examples of information to be collected include

information on the population, occupation, income, health, education, resources, communication and transportation, commerce, investment, industry, and budget information. Gathering of information on main obstacles faced by communities would help define a strategy to address problems; aid in analysis of the problems; and facilitate choosing appropriate solutions to address the needs of the public.

#### Step 3 Analysis of the Capacity to Determine Current Stage of Development

This process involves an analysis of opportunities and threats or limitation, which are external environment that may affect various developments of a locality. In addition, the analysis also considers weaknesses and strengths of a locality, which are internal factors. The technique employed would be the SWOT analysis, which considers the internal factors of Strength-S and Weakness-W; and the external factors of Opportunity-O and Threat-T.

#### Step 4 Define the Vision and Core Mission of Municipal Development

To define the vision for municipal development, one must answer the question of to whom the municipality serve and for what purpose, so that one can achieve the desired vision. As for defining the core mission, there are two levels to carry out a mission 1) a mission that is mandated by the society or central administration such as laws, regulations, and rules defining the extent of municipal authority; and 2) a core mission that a municipality is determined to take on to achieve a predetermined vision.

#### Step 5 Define the Objectives for Sustainable Development

The objective for sustainable development means that the extent or the type of activities should be worthy of the work in the area of economics, society, culture, environment, such that the activities can create sustainable development in line with the municipality's vision and mission.

#### Step 6 Define the Objectives for Municipal Development

This step is to define desired objectives, which will take place after a core mission is made known to a municipality

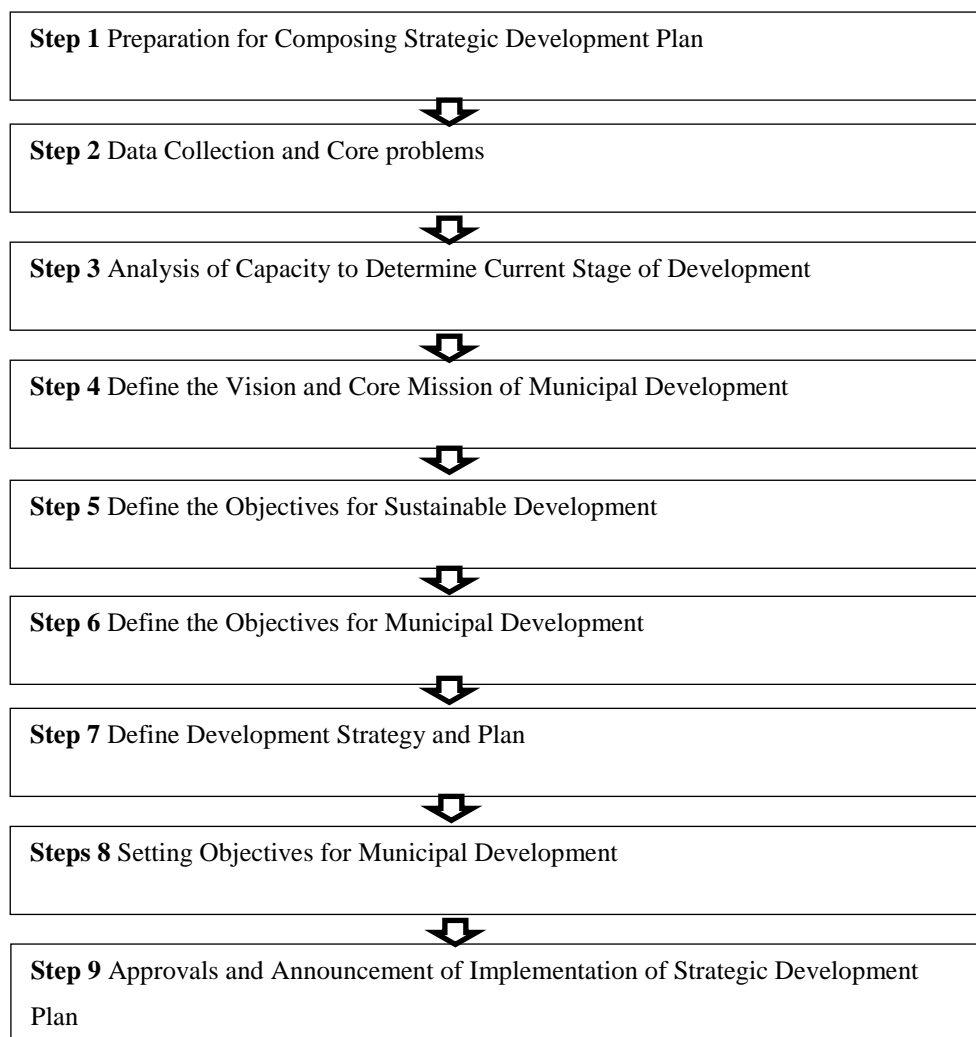
#### Step 7 Define Development Strategy and Plan

Once the vision, core mission, objectives, and development strategies are defined through the basis of SWOT analysis, the next step is to establish the

municipal development plan. In which case, the development strategy is defined as a concept or the way in which an organization can change so that it can move towards a future goal. It aims to answer “how will the municipality reach its goal.”

#### Steps 8 Setting Objectives for Municipal Development

This step defines the amount or quantity of aspects that the plan aims to accomplish under each development method and under the time horizon specified.



**Figure 2.6** Illustrations of Steps to Formulate Strategic Development Plan

Step 9 Approvals and Announcement of Implementation of Strategic Development Plan

In this step the Support Committee for Drafting of Municipal Development Plan would take the results from Step 1 to 8 and incorporate them in the draft of strategic development plan for a municipality. Subsequently, the committee would present the draft to the Municipal Development Committee to examine and improve before presenting to its executives. Eventually the executive would present the draft to the Subcommittee on District Development, and the Coordinating Subcommittee on District Development will verify, analyze, and coordinate it to the district plans. To achieve the coordination and integration in the aspect of physical areas and extent of authority, the Coordinating Subcommittee on District Development will include their opinion to supplement their consideration for approval of draft on strategic development plan for municipality. Finally, the draft would be forwarded to the Coordinating Committee on Local Development Plan for further consideration and endorsement.

## **2.4 Related Researches**

The researcher presents the following nine related research reports pertaining to intervention on local government organization through public policy.

### **2.4.1 Research Report from the National Institute of Development Administration (2003)**

The research is titled, “Jurisdiction and Relationship among Local Government Organizations, Central Government, Regional Administration, and Interrelations among Local Government Organizations as well as the Appropriate Structure and Size for Local Government Organizations in Thailand.” The purpose of the research was to analyze and provide insights on the jurisdiction and the relationship among local government organizations, central government, regional administrations, and interrelations among local government organizations (sub-district headman/village headman) and citizens in order to provide suggestions on appropriate structure and size for local government organizations in Thailand, including the selection process of local administrators.

The related research finding from this particular research was the research report on the jurisdiction and the relationship among local government organizations, central government, regional administrations, and interrelations among local government organizations. The two relevant findings were as follows:

1) Jurisdiction of Local Government Organizations

Due to past overlapping jurisdictional responsibility of local government organizations with provincial administrations, municipal governments, and sub-district administrative organization, it is mandatory to analyze such issue in order to designate clear responsibility.

The Determining Plans and Process of Decentralization to Local Government Organization Act, B. E. 2542 prescribes an administrative system in which the central government must transfer an extensive amount of responsibility to local government organizations. Local government organization must accept such responsibilities. Hence, the task adjustment of local government organizations must involve these new responsibilities as well.

This research aimed to provide a clear reassignment of current responsibilities in order to avoid jurisdiction overlap and cover future responsibility transfers. The research findings were that 1) provincial administrative organizations should be the highest local authority at the provincial level. Thus, provincial administrative organizations should be responsible for the province at the macro-level, at which the municipality and sub district administrative organization do not have the capacity to be reliable for; 2) the provincial administrative organizations should be responsible for project coordination at the provincial level; and 3) the municipality and sub-district administrative organization should be the operating agencies at the regional level and work within the bounds of the region.

As for the details in the reassignment of jurisdiction, the researcher analyzes that in order to be effective in practice, every local administrative organization should clarify their jurisdiction and responsibility within their province with respect to the framework, provided by the central government. This process will yield a more positive outcome if the change is spearheaded by local administrative organizations rather than the central administrative organizations because this change will be an opportunity for local administrative organizations to be more involved and



reassign the jurisdiction within their own province under the legal framework provided by the central government.

## 2) Relationship among Central Government, Regional Administration Organizations, Local Government Organizations, and Interrelations among Local Administrative Organizations

Due to the numerous structural adjustment of local administrative organization in the Constitution of the Kingdom of Thailand, B. E. 2540 (1997), the overall structure of local administrative organizations had to be readjusted in terms of their relationship with the national administrative system and interrelations among local administration organizations.

(1) Relationship among central government, regional administrative organizations, and local administrative organization should be restructured to enhance integration and efficiency at the central, provincial, and local levels.

At the central level, there should be an additional mechanism such as the creation of national local administrative council, because local administrative responsibilities are distributed sparsely among multiple ministries. Such council would serve as the highest authority in local administration management. Moreover, the research advises that local human resource management organizations should merge into one organization throughout the entire system. The council responsible for distributing administrative power to local authorities should remain intact until the redistribution of power is completed.

At the provincial level, the provincial administrative organizations serve as representatives of the central government in the implementation of public policy. Certain mechanisms of the province must be adjusted to be in line with the central government. This can be achieved with the establishment of the provincial administrative council, provincial human resource management council, and provincial administrative power distribution council.

At the local level, local administrative organizations are considered distinct from most government agencies. Specifically, the relationship between local administrative organizations and central government cannot be described as one between a superior and a subordinate, but rather as a special relationship between juristic organizations with authority granted by the law and work together for the benefit of the people.

Nevertheless, local administrative organizations are national entities that cannot be separated from the state and still rely on the state's budget. Hence, local administrative organizations must fulfill their responsibility to the central government by carrying out the mandatory tasks of local administrative organizations. The state is obliged to oversee local administrative organization in accordance with the Constitution.

(2) As for the interrelationship among local administrative organizations, local administrative organizations are considered high-level administrative organizations responsible for coordination and management of public goods that serves many people across the province in the form of macro service. On the other hand, the municipality and sub-district administrative organization are minor local administrative entities that are responsible for serving individual areas. Thus, these two entities are responsible for micro services, which prescribe service provision for citizens in a particular area. The local administrative organizations, municipality, and regional administrative organization complement each other and cannot be separated because public service requires both macro and micro level services.

(3) With regards to their protocols, the central government, regional administrative organization and local administrative organization have a continuous relationship, because their protocols, such as public service and management protocols, require them to work together. This research has analyzed such protocols and advised on such relationship at the structural and procedural levels.

The researcher believes that the research report of the National Institute of Development Administration (2003) titled, "Jurisdiction and Relationship among Local Government Organizations, Central Government, Regional Administration, and Interrelations among Local Government Organizations as well as the Appropriate Structure and Size for Local Government Organizations in Thailand" can be discussed with the findings of this research paper by comparing jurisdiction and relationship between local administrative organization and central government in accordance with the provision of the law and actual events.

Nevertheless, the research possesses a shortcoming of only concentrating on the jurisdiction and relationship between local administrative

organization and central government in the context of the law, but does not attempt to explain the problematic conditions that actually occurred, particularly the issue of intervention on local government organization through public policy. Some aspects of such issue are beyond the scope of the law and contradict the principle of local administration.

#### **2.4.2 Anurak Gavijong**

The study Anurak Gavijong (2012, pp. 134-137) titled, “The Relationship between the State and Local Government Organization: Case Study on the Control through Use of Official Mandate on Local Sub-district Administration in Mae Onn Area, Chiang Mai,” suggested that the Department of Local Administration of the Ministry of Interior, is the main central government agency, which passes orders through official mandates from central administration to sub-district administrative organization. The provincial governor and the chief district officer pass on the mandates to the province and the district, respectively and distribute these mandates to the sub-district administrative organization. The most important aspects of the mandates are from the fiscal year 2010, which challenged the management of the sub-district administrative organization and affected the principle of local power distribution. The details of the official mandates are elaborated below.

In the case of construction or improvement in construction, the general subsidy project under the Thai Kemkang Plan of 2012 affected the sub-district administrative organization by increasing the workload for the sub-district administrative and its officers, impacting the budget indicated in the project objective that the sub-district administrative organizations should manage on their own, and affecting human resources responsible for the project completion. These changes must be complied with, because they were from the framework of government policy and were beneficial for public utility of the local people.

The case of elderly and disabled welfare operation affected the management of sub-district with the increased workload for the sub-district administrative organization and its officers responsible for the assessment of social and disability welfare recipients; the delivery of social and disability welfare payments; and the compilation reports of social and disability welfare recipient information. This also

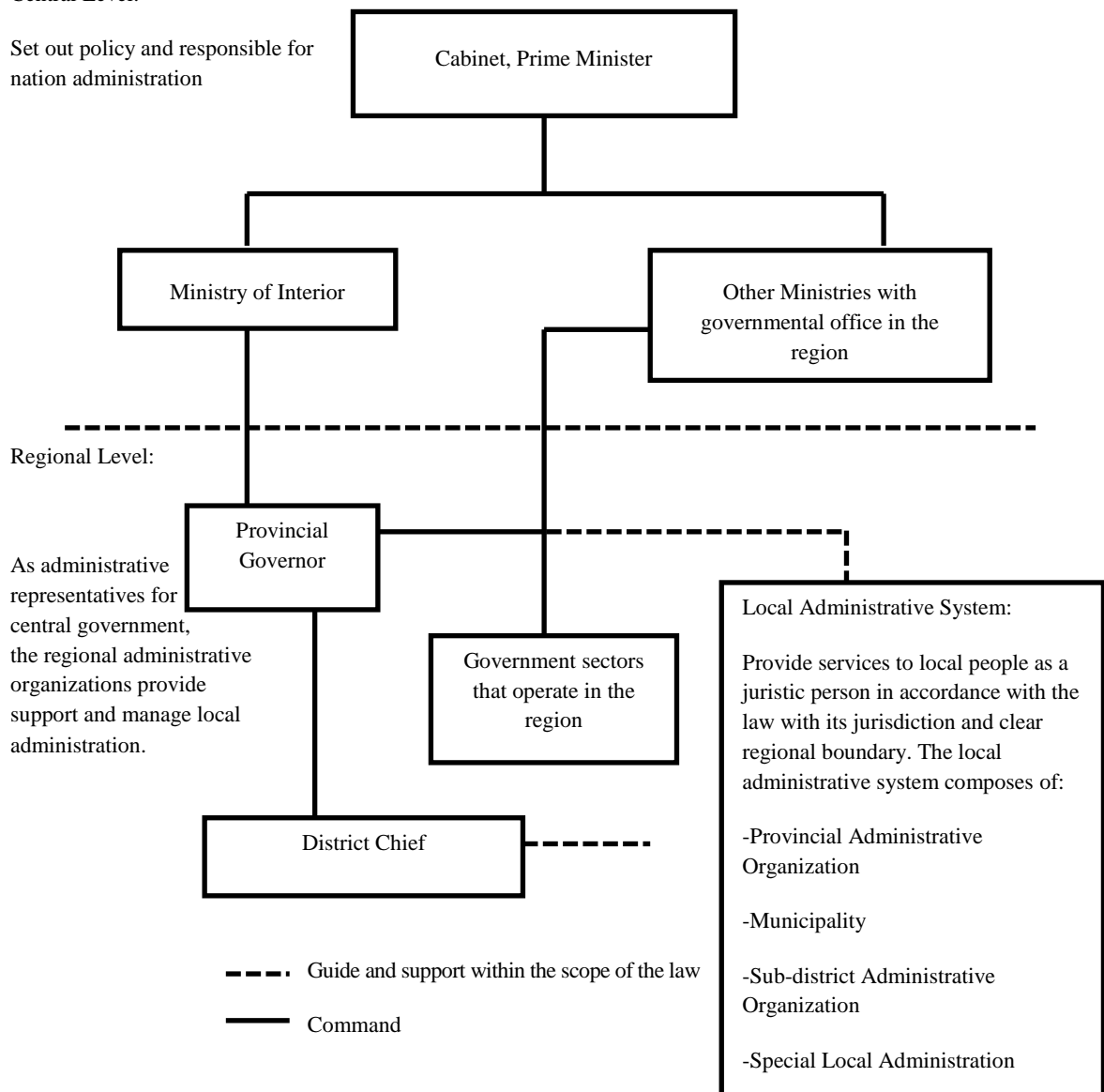
impacted the budget, because sub-district administrative organizations had to pay the social and disability welfare with their reserve funds in the case of the delay in transfer of funds from the Department of Local Administration. The sub-district administrative organizations also had insufficient human resource for the task at hand. These changes must be fulfilled because they were from the framework of public policy and were beneficial for livelihood of local residents.

Therefore, the relationship between the state and the local administrative organizations in the case of the official directive to sub-district administrative organization through official mandates can be concluded that the official directives though mandates from central government can be deemed as a challenge and impacts the management of the sub-district administrative organizations. This practice contradicts the principle of local power distribution.

Ultimately, the state has not given the freedom of power in administrative management to local government organizations, by maintaining the distributing power within the central government in the form of top-down command through the use of official mandates. Such practice is not warranted by the framework of the Constitution that allows delegation of power through the state administration policy, which mandates that the state distribute the power to the local organizations, so that they can be self-sufficient and capable of making their own decision for local tasks. The state must give such freedom to the local administrative organizations in accordance to the principle of local self-governance, including the freedom of policymaking, management, public service provision, human resource management, finance, and treasury. The state may regulate local government organizations only when necessary and offer guidelines, procedures, and clear terms that comply with the law.

Central Level:

Set out policy and responsible for  
nation administration



**Figure 2.7** The Structure of Relationship Among Administrations of Central, Regional and Local Government Organizations

**Source:** National Institute of Development Administration, 2003, pp. 4-8.

From observing the Figure, it can be concluded that in terms of the relationship structure among these three administrative systems, the central government, as the sovereign authority in national administration, is the government sector responsible for the administration of the entire nation. On the other hand, the

local administrative organizations oversee and provide public services as the commissioned organizations to manage and serve the people in the region in accordance with the law, while regional administrative organizations' duties include 1) supervision of local administrative organizations to ensure full compliance with the law and 2) support local projects or local administrative organizations in order to effectively serve the public.

#### **2.4.3 Research Report from Thailand Development Research Institute**

Thailand Development Research Institute (TDRI) (Office of National Resources and Environmental Policy and Planning, 2005) examined the evaluation project of transitioning policy, plan, and measures into action with the following objectives:

- 1) Examine the evaluation and procedures in carrying out conservation and national resource management policy, plan, and measures in order to gain an overview of the country and branches. The related agencies both internal and external to the Ministry of National Resources and Environment utilize these evaluations as the framework for management, action plan adjustment at all levels, and creation of manuals on conservation, national resource and environmental management adjustment plan at the national level to actual practice.

- 2) Develop mechanism to track the evaluation, determine the performance indicators for evaluation, install the tracking system for tracking evaluation of policy, plan and measure for conservation, national resource and environmental management that can link with other units affiliated with the Ministry of National Resources and Environment and the Bureau of the Budget in addition to creating a manual for using such system.

- 3) Track the progress assessment of policy, plan and measure for conservation, national resource, and environmental management by related units in the central and local regions, as well as performance evaluation of prescribed policy, plan and measure.

The findings of this research, specifically the transformation of policy, plan, and measures for conservation, national resource and environmental management into action in the central and regional levels, are relevant to this research on "Intervention

on Local Government Organization through Public Policy: Case Study of Park Nam Samut Prakarn Municipality and Kalasin Municipality” and can be concluded as follows:

1) Obstacles may arise at every stage of the policy reform implementation from planning, coordination, implementation and evaluation tracking, including the obstacles that can arise from the policy, itself. The issues are as follows:

(1) Most policy-making is made by the central government sectors and distributed through a top-down approach. The operating agency in the region bears no part in policy-making decisions

(2) The policies are difficult to implement. For instance, some require high level of technology or change in human behavior

(3) Other issues, such as the conflicts among policies and the lack of policy continuity to achieve its objectives

2) A limitation in the state agency administrative system is that there is no efficient planning, evaluation monitoring in the policy development stage, and coordination between and within agencies.

3) The past reform of the central and regional government mandated that the Regional Environmental Office and the Provincial Natural Resource and Environment Office are significant mechanisms in the policy implementation at the regional level, with their position as the coordinators in regional and provincial environmental planning. However, in reality the two agencies seldom involve in the policy implementation at the regional and provincial levels, because these agencies are significantly limited by their human resource, budgets, and lack of authority to command related agencies to comply with the policy.

4) There is limited capability of the agencies/insufficient personals, meaning that there is limited ability of officers in implementation in many issues, such as understanding of the policy change into implementation, adapting technology, understanding legislative measures, and enforcing them.

5) Policy/project planning often begins with determining tasks with regards to their fields or focusing on the main function of the agencies before examining if the policy is in line with such function in order to achieve the objective of the policy. The principle behind such practice contradicts the principle of policy

implementation, which focuses on policy and uses its objective as a framework for the task/project in order to ensure its success.

6) The involvement from the private sector, private development organizations, community, and people in policy-making, planning, projects, and evaluation is not clear. This is due to the fact that most tasks, such as planning task/projects and evaluation monitoring are direct orders from the central government. However, the involvements of the private sector, private development organizations, community, and people have the tendency to increase. For instance, the conservation development project and regional natural resource and environmental management can be deemed as procedures that require great cooperation and support from the local citizens.

The researcher believes that this research on the evaluation monitoring policy implementation, planning, and action measures would help explain the problems with regards to implementation municipal development plan due to the intervention of the state or the central government, especially the Ministry of Interior.

#### **2.4.4 Research Findings from Udom Tumkosit**

The research of Udom Tumkosit (2006, pp. 180-190), titled “Comparative Study of the Success of Thailand’s Local Government Management in the Form of Centralization of Power and Decentralization of Power,” had the following objectives:

1) The research compared and contrasted the performance of two local administration forms: 1) the original form of local administration which is fusion of power, and 2) the recently applied form of separation of power.

The research aimed to examine to the past performance of these two forms of power delegation and determine the most appropriate form to be utilized in Thailand.

2) The research intended to advise on the adaptation methods and suggest appropriate legal amendments regarding local administration.

The conclusions of the research findings are summarized below:

1) For politics and governance, it can be concluded that the local administrative form of separation of power is superior to the local administrative form of fusion of power in every aspect of the research.



2) For the performances of local public service provision for the two forms, the performance of separation of power in local administration surpasses that of the fusion of power in local administration.

3) For the four important local procedures, the separation of power is superior to fusion of power in every aspect and procedure.

4) For the satisfaction of residents, findings reveal that residents are more satisfied with separation of governance power than with fusion of governance power.

In multiple aspects, the research findings prove that the local administration in the form of separation of power is superior to that in the form of fusion of power.

The researcher believes that Udom Tumkosit's research would provide an overview and framework for examining advantages and disadvantages of separation of power and fusion of power in local government organizations. There is too much intervention on local organizations with fusion of power, creating a tendency towards centralization of power, instead of allowing local administrative organization to self-manage in accordance with the philosophy and main intention behind local administration.

#### **2.4.5 The Research from Mokala Wanlop**

The research from Mokala Wanlop (2005) titled, "The Factors that Affected the Efficiency of the Support Committee for Drafting of Municipal Development Plan: Case Study on Samut Prakarn Province," had the following objectives: 1) to examine the efficiency of the municipal development planning support committees, and 2) to study the factors that affect the efficiency of the municipal development planning support committees.

The population sample in this study was sixteen municipal development planning support committees, consisted of municipal clerks, deputy municipal clerks, heads of every agency, and policy and plan analysts in the Samut Prakarn province. With a random sampling with the specific number of 102 people, the statistics used in analysis were frequency, percentage, average, t-test standard error, and F-test standard error.

The research discovered that:

1) Most of the member of the municipal development planning support committees are male between the ages of 41-50 with a bachelor degree or higher and hold the position of level 7 or higher. Work experience in the current position ranges between 1-2 years and 3-4 years and the duration of work experience in planning ranges between 3-4 years.

2) For the environment factor, the research ascertained that the municipal development planning support committees have been involved in meeting/training/seminars for five times or higher. They possess a low level of understanding on the subject, but are highly motivated.

3) The overall efficiency of the municipal development planning support committees remains high.

4) Factor of motivation to succeed affects the efficiency of the municipal development planning support committees. Factors of sex, education, office ranking, experience, involvement in meeting/training/seminars, position ranking, and understanding of the planning procedure of the municipal development do not affect the efficiency of the municipal development planning support committees.

Mokala Wanlop's research, "The Factors that Affected the Efficiency of the Support Committee for Drafting of Municipal Development Plan: Case Study on Samut Prakarn Province," would help comprehend the basic factors related to the municipal development planning in Samut Prakarn Province, which is the sample province that the researcher has selected for this study.

#### **2.4.6 The Research from Kathanyoo Kaewhanam**

The research from Kathanyoo Kaewhanam (2011) on "Citizen Participation in Formulation of Municipal Development Plan: Case Study on Comparison between the Khon Kaen and the Kalasin Municipality," had four goals: 1) to examine the level of resident participation in municipal development planning in the Khon Kaen Municipality and Kalasin Municipality; 2) to understand the procedure for public participation in municipal development planning in the Khon Kaen Municipality and Kalasin Municipality; 3) to observe the barriers and obstacle to participation in municipal development planning in local government organizations in the Kalasin and

Khon Kaen Municipality; and 4) to compare and contrast the participation in municipal development planning between town municipality and city municipality. This research method employed a Mixed Method Research, comprising of qualitative research with most information from interview and interactive observation and quantitative research with the following population sample: the Khon Kaen Municipality population sample of 397 and Kalasin Municipality population sample of 394.

The research revealed that:

1) For the level of public participation in municipal development planning in the Khon Kaen Municipality and Kalasin Municipality, it can be concluded that public participation in municipal development planning in the Khon Kaen Municipality is higher than that in the Kalasin Municipality.

2) The forms of participation in municipal development planning in the Kalasin Municipality and Khon Kaen Municipality share a common characteristic, which is that public participation is limited to the initial stage of planning. The public is involved in the public needs and concerns survey process before being summarized into a report on community concerns, which is presented in the community platform, consisting of representatives from community, municipality, state agencies, civil sector, private sector, and related organizations in order to create a community plan. After the community platform, the committee analyzes, categorizes and summarizes the data into a community development plan. The community meeting is only a symbol of the municipality giving the public an opportunity to participate, by ignoring how much of the development plan reflect the public opinion, including public participation is inspection and tracking performance evaluations.

3) Significant barriers to participate in the municipal development planning are due to 1) the lack of budget in plan execution and personnel shortage in necessary branches; 2) the content of the community development plan may not be a result of public needs, but rather from the needs and pressure from the municipality, itself; and 3) most of the community project proposals to be included in the municipal development planning are related to the public utility system, such as roads and drains. The missing aspect is the proposals on quality of life and societal development projects, 4) the proposed community development plan may not always be instated in

the municipal development plan because such might not even be considered by the planning committee, administrators or operators; and 5) deviation from the municipal development plan may occur from a change of local executives.

4) Having compare and contrast the public participation in the municipal development planning of the Khon Kaen Municipality and Kalasin Municipality, the research discovered that the Khon Kaen Municipality has greater means to support public participation than Kalasin Municipality does in the municipal development planning process. Important factors include the Nakorn Khon Kaen city council and attempts of duty transfer to the public to carry out. These attempts to transfer duties can be separated into 12 task force units from hiring within the community, allowing the public to participate in project proposal, and proceeding as the community desires with the municipal budget to stimulate the public to be involved because it is in the public interest.

The research of Kathanyoo Kaewhanam (2011) on “Citizen Participation in Formulation of Municipal Development Plan: Case Study on Comparison between the Khon Kaen and the Kalasin Municipality” is valuable to the study of the this research paper due to its overview on the contrasting municipal development planning procedures between city municipality and town municipality, which relates to the research study on the Kalasin Municipality and Park Nam Samut Prakarn Municipality. Despite the differing study objectives, the study of the intervention on local government organization through public policy directly relates to the municipal development plan, because the intervention on local government organization impacts the subject and execution of the municipal development plan, especially on the budget, number of personnel, tool, and technology in policy/project/plan implementation.

#### **2.4.7 The Research from Thanet Charoenmuang**

The research from Thanet Charoenmuang (2001, pp. 122-126) identified the important issues and challenges for municipality, as follows:

First, municipalities are intervened and controlled by the central government to a great extent, especially with respect to the law. The municipalities have limited authority with excess responsibilities and insufficient budget. There are

three measures that the central government employs to intervene and control the municipalities: governance, treasury, and management.

Second, the ambiguous relationship between the central government and municipalities generates a problematic lapse in execution. For instance, according to the law, the representative of the central government has the power and responsibility to manage the work of a municipality, but in practice, the municipal administrator may have close connection with the leader of the central government. This causes the provincial government to be afraid to inspect/impede the works, and thus lower the efficiency of inspection or quality suggestions to the municipality.

Third, the issue of municipal structure persists because the municipal council has the ability to select more than half of the administrators. In principle, the opposition party members directly control the municipal administration.

Fourth, due to the lack of public interest in politics and political participation, the public is not as interested in exercising their voting rights as they should be. In particular, as the municipality has high economic growth, residents from other region migrate there and are unconcerned with the work of the municipality and take no part in inspecting the work of local politicians.

Fifth, the municipality has a limited budget and insufficient authority, but is given excessive responsibilities and is often controlled by the central administration. This has caused the local political scene to be a platform for second tier politicians and upcoming politicians to enter the realms of politics at the national level.

Sixth, a municipality is the local government organization that the Ministry of Interior and the general public are least interested in seeing structural reform, because municipality is misconceived as an agency with a higher degree of freedom than other forms of local administrations. Most municipality deals with developing city, so many individuals view the municipality as a form of local government that seldom have issues.

The research from Thanet Charoenmuang (2001) shared the same view as the researcher. Thanet had identified the key issues of municipalities and concluded that the municipality has been excessively intervened and controlled by the central government, especially with respect to the law. This issue causes the municipality to

have limited authority and too many responsibilities with insufficient budget. The tools that the central government uses to intervene and control the municipality have three aspects: governance, treasury, and management. Moreover, the ambiguity in the relationship between the municipality and central government causes a lapse in operation.

#### **2.4.8 The Research from Marut Wantanakorn**

The research from Marut Wantanakorn (2014, pp. 266-280), titled “Direct Election of Local Administrators to Thai Municipalities: Overview of Thailand Local Government” revealed that direct election of mayor bears insignificant impact on the overall community. The impact often originates from a restructure of relationship within internal constituents, especially the relationship between the local council and the administration. However, after considering other impacts including those outside of the municipal organization, the direct election of the mayor in Thailand is not quite effective in raising the public expectation and intention for the direct election of mayor to affect the overall local administration. For example, the election of the mayor does not make the public more informed on politics. It lacks the appeal to encourage upcoming politicians with talents and knowledge to run for election.

At present direct election of the mayor lacks the appeal to make the society and the public more interested in municipal politics. Changes within the municipality are often only technical changes within the city municipal organization. However, Marut Wantanakorn maintained that if such election is given a longer period of time, the power from direct election of the mayor will increase and might push forward the development of overall local administration system to another level, until there is enough appeal to engage the public on the subject of municipal politics.

On the other hand, Marut Wantanakorn’s research raised other important points, as follows:

##### **1) The Response of the Mayor to the Local Residents**

The research found that the mayor who is elected directly pays more attention to the local residents, because the mayor is directly elected. Thus, the first priority of the mayor is the local residents, rather than the mechanism of the municipal council, because such residents affect the terms of the mayor.

Moreover, the research suggested that the mayor responds with great attention to the needs of the local residents in some aspects. For instance, the public can set up a meeting with the mayor more easily. The public feels that the mayor attends to the region more often. This can be attributed to the mayor, himself, rather than the municipal administration system that wants to serve the public.

## 2) Political Awareness of Local Residents

The research indicated that direct election of the mayor does not affect the political awareness of the local residents in any way. Through examination of similar mayoral election statistics of direct election and municipal commission election, the research deduced that the public does not quite understand the difference between direct mayoral election and the previous election format, and do not perceive the direct mayor election as necessary.

The atmosphere of the mayor election campaign is slightly more active than that of the municipal council member election campaign, because the political competition is high and the qualification of the candidates are clearly contrasted.

Moreover, the research found that the public is more active in politics on some issue. For example, the local residents attend election campaign events or listen to the speech of the candidates and want to exercise their voting rights more. However, the voting statistics reveal that the public do not exercising their voting rights to a greater extent at all and most residents know of the new form of mayor election (direct mayor election). Instead, the public does not quite understand how the direct mayor election differs from the previous form of election.

## 3) The Appeal of Election to Competent Candidates

The research indicated that the direct mayor election does not impact the competence of candidates or appeal to upcoming politicians to apply the position of mayor or more members of the municipality commission members. In the sample of four municipal elections, the research discovered that there are only two candidates competing for the position of mayor. Most of the candidates have ties to the municipal politics prior to election. For instance, some have served as former mayor, councilor, and municipal council member or have personal ties to the municipal politics.

Nevertheless, the expectation that the direct mayor election will appeal to the prominent figure more and attract more competent candidates falls short. The

research indicated that there are still only politicians and old political party participating in the election.

#### 4) Policy Proposals of the Mayor Candidates

The research found that the mayor is required to do more preparation in order to run for mayor. The policy for campaigning has to be concrete and easy for the public to understand, because there is only one victor in the direct mayor election. Other factors that contribute to the winning of the election have to be catered to the election. One of which is setting an adequate policy, which can be implemented in real-life. Some mayors inquire the public on their needs before setting their policies in order to make a policy that reflects the public demand, because the more aligned the policy is to the interest of the public, the more likely the chance of winning the election.

### **2.4.9 The Research from Nakarin Mektrairat**

The research from Nakarin Mektrairat (1999) on “Local Politics and Development under Democracy: Comparison Study between Local Politics of Thailand’s Two Northern Cities” intended to study the politics of local administration in Thailand in the city areas, such city municipals with the following three main objectives: 1) to study the official characteristics of politics at the local level, especially municipality; 2) to study the unofficial characteristics of politics at the local level, specifically the unofficial politics related to municipalities; and 3) to study the interaction between official politics and unofficial politics by examining the cases of Chiang Mai Municipality and Nakhon Sawan Municipality.

The research findings suggested that for the Thai local administration in the environment at which the central government and provincial administration still play important roles at the local level, the status change to city will happen faster and that there are unofficial establishment of political groups. On the other hand, the official local political parties occur in municipality with slow development.

In comparing and contrasting Chiang Mai Municipality and Nakhon Sawan Municipality, Chiang Mai Municipality has the status of “prominent city,” while Nakhon Sawan Municipality is slowly changing. Different pace in city development affects the local politics of both municipalities. Chiang Mai Municipality has an open

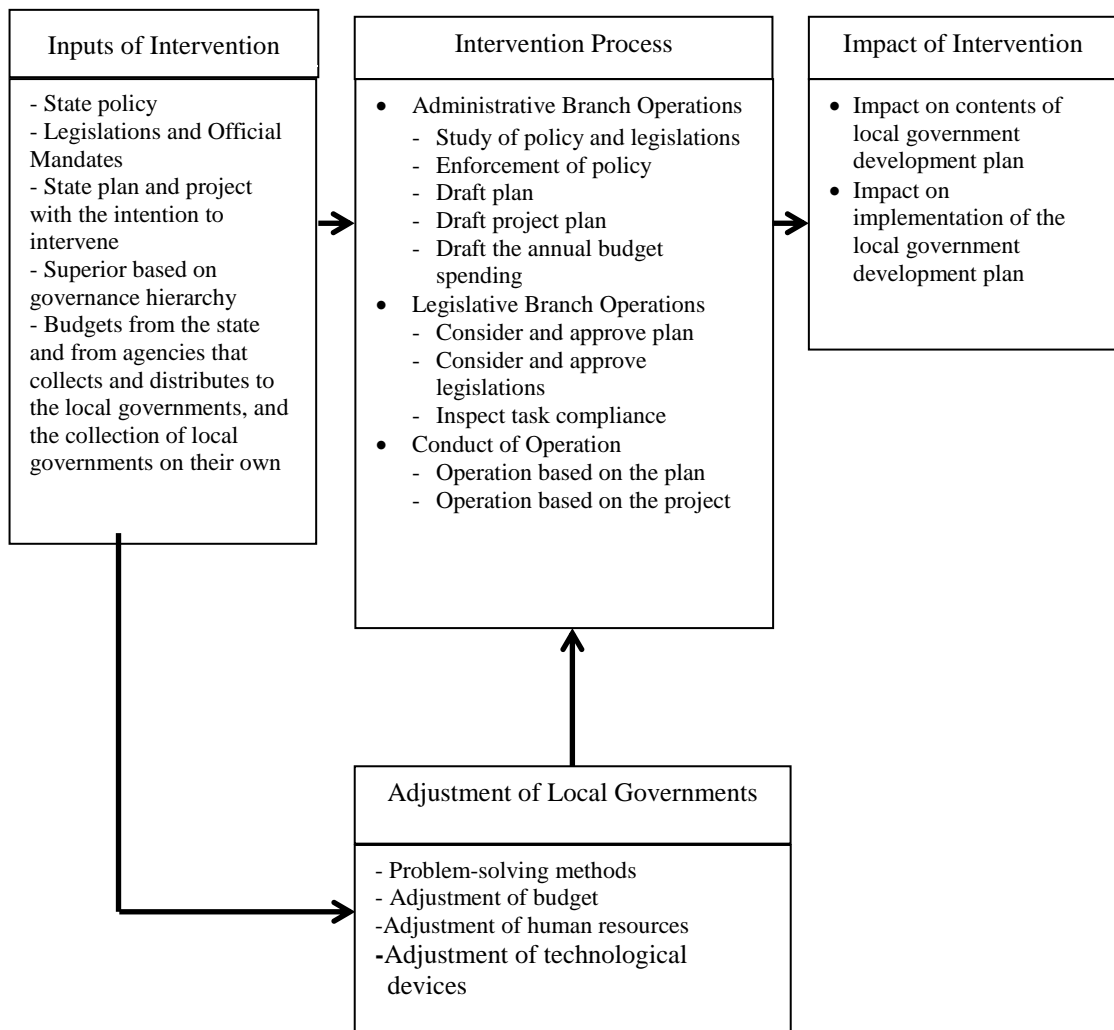


system with official local political parties and new parties arising every decade or so. The key characteristics of new local politicians are new generation businessmen and permanent government official cooperating as a “political alliance”. On the other hand, Nakhon Sawan Municipality has a closed local political system and one local political party may hold the administrative power for decades.

Nakarin Mektrairat (1999) concluded that according to the theory of politics, the condition of Chiang Mai local politics can be classified as “an imbalance in political power,” while the situation in Nakhon Sawan Municipality can be classified as “a balance in political power.” Both forms of local politics, especially the former, directly hinder the political development in the democratic system. The latter form is limited by public participation and still contains some randomness. However, if the rapid change of city status is to be considered, the unofficial political collusions and official political parties coexist in a slow-growth municipality and in an environment that does not advocate work performance.

## **2.5 Research Framework**

After reviewing the literature, framework, philosophy, and related researches, the researcher can adapt or develop an effective framework, as shown in the diagram below.



**Figure 2.8** Research Framework

## **CHAPTER 3**

### **METHODOLOGY**

The research methodology this research paper, “Intervention on Local Government Organization through Public Policy: Case Study of Park Num Samut Prakarn Municipality and Kalasin Municipality,” employs qualitative research as an essential research tool. It has three main objectives: 1) to study the intervention of local government organizations through public policy; 2) to study the effect of government intervention on the content and implementation of local development plan; and 3) to investigate the patterns of local government adaptation in response to central government intervention.

The presentation on this research methodology includes sections on the followings: research methodology, research units, population and samples, research extent and limitations, research tools, data collection, and method of analysis.

#### **3.1 Research Methodology**

This research study employs two types of qualitative research:

1) Document research, which can be divided into two categories, namely

(1) Primary Sources-this type of research includes textbooks on theories and concepts of decentralization and intervention on local government organizations in both domestic and international arena. Other primary sources include documents, memos, and relevant meeting minutes, such as the budget bill on annual expense from 2011 to 2013, municipal development plan, action plan for fiscal year 2011 to 2013, Ministry of Interior’s announcement and regulations, directives from the office of Department of Local Administration (Local Support and Development Division), and directives from the Department of Local Administration under the Ministry of Interior.

(2) Secondary Sources-these include news information, interviews, analysis, documents from seminars, and other related research works

2) In-depth interviews is another form of qualitative research, involving identifying key informants and studying of intervention on local government organizations in three areas: 1) governance intervention, 2) fiscal intervention, and 3) administrative intervention

### **3.2 Research Units**

In this research on intervention of local government organization through public policy, the researcher selects Park Num Samut Prakarn Municipality and Kalasin Municipality as case studies and employs purposive or judgmental sampling technique to conform to the research objectives with the following reasoning:

#### **3.2.1 The Selection of These Municipalities are Representative of all Local Government Organizations**

The researcher selects “municipality” as representative for all of the nation’s local government organization because

1) Municipality is a local government organization with a moderate capacity in area of jurisdiction, population size, revenue, and economic, social, and political progress; and

2) All provincial government centers or city halls are located within the municipality’s area of jurisdiction (with the exception of provinces which have city municipals). This implies that provincial government can closely and swiftly command, control, and oversee municipalities.

#### **3.2.2 Selection of the Two Municipalities as Representatives of all Municipalities**

The researcher selects the two municipalities as the case study with the following rationales:

1) To use the Park Num Samut Prakarn Municipality as the representative of all city municipalities, municipalities, and sub-district municipalities from provincial areas near Bangkok's perimeter

2) To use the Kalasin Municipality as the representative of all city municipalities, municipalities, and sub-district municipalities in all regions of Thailand including the central, the north, the Isan, and the south region.

### 3.2.3 Comparison of the Two Municipalities

The researcher aims to compare the Park Num Samut Prakarn Municipality and the Kalasin municipality in order to understand the difference in the effects of intervention through public policy on these municipalities as well as how these municipalities adapt to the circumstances.

## 3.3 Population and Samples

### 3.3.1 Park Num Samut Prakarn Municipality

Park Num Samut Prakarn Municipality has an area of 9.30 square kilometer, covering five villages, namely: Moo 4, Moo 6, Moo 8, Moo 9, and Moo 10. The Bang Mueang sub-district in the Mueang Samut Prakarn district of the Samut Prakarn province has a population (as of May 1, 2012) of 25,480, dividing into 12,098 males and 13,382 females. It has a population density of 2,740 persons per square kilometer (Park Num Municipality, 2012, pp. 5-6).

**Table 3.1** Number of Household and Population in the Park Num Samut Prakarn Municipality

Village (Moo)	Number of Household	Population Size (person)		
		Male	Female	Total
4	1,200	1,540	1,621	3,161
6	3,473	4,310	4,794	9,104
8	1,116	1,870	2,139	4,009

**Table 3.1** (Continued)

Village (Moo)	Number of Household	Population Size (person)		
		Male	Female	Total
9	703	1,011	1,088	2,099
10	2,086	3,367	3,740	7,107
<b>Total</b>	<b>8,578</b>	<b>12,098</b>	<b>13,382</b>	<b>25,480</b>

**Source:** Park Num Municipality, 2012, pp. 5-6.

The governing structure of Park Num Samut Prakarn Municipality is divided into the following units:

- 1) The Office of the Municipal Clerk
- 2) Finance Division
- 3) Mechanics Division
- 4) Public health and environment Division
- 5) Social Welfare Division
- 6) Education Division
- 7) Research and Policy Planning Division
- 8) Accounting Department

The sample personnel selected for interviews include

- 1) The Mayor of Park Num Samut Prakarn Municipality (Mr. Siri Chanhua)
- 2) The Municipal Clerk of Park Num Samut Prakarn Municipality (Mr. Pakapong Pojchalongsil)
- 3) The Director of Finance Division (Mr. Wasinee Meknitikul)
- 4) The Director of Research and Policy planning Division (Mrs. Wansa Jane-ariwongse)

### 3.3.2 Kalasin Municipality

The Kalasin Municipality has an area of 16.96 square kilometer, with a population size (as of October 25, 2011) of 35,423 and covering the entire Kalasin sub-district. The Kalasin Municipality is divided into three electoral districts, with 18 people making up the municipal assembly, and the mayor has direct control on the administration of the municipality.

Recently, the Kalasin Municipality announced the expansion of its municipality structure. The Committee on Local Personnel, in compliant with the Local Personnel Administration Act, reached an agreement on restructuring the municipality size from medium-size municipality to large-size municipality, dividing its governance into eight divisions namely (Kalasin Municipality, 2011, p. 10)

- 1) The Office of the Municipal Clerk
- 2) Finance Division
- 3) Mechanics Division
- 4) Public health and environment Division
- 5) Research and Planning Division
- 6) Education Division
- 7) Social welfare Division
- 8) Internal audit Division

**Table 3.2** Population Size and Number of People Eligible to Vote in Kalasin Municipality

Sub-district	Area (Sq. km)	Population Density (Person/Sq. km)	Number of house (unit)	Population Size (person)		Number of Eligible Voter (person)	
				Male	Female	Male	Female
Kalasin Sub-district	16.96	2,089	13,434	17,125	18,298	11,499	13,044
Total				35,423		24,543	

The current administrative board of the Kalasin Municipality (as of 2013) includes Mr. Jaruwat Boonperm, the Mayor, elected on January 9, 2011; Mr. Manit Chaisiwamongkol, Mr. Kemchad Karnsawai, and Mr. Nopsit Kulcharoenwirat as the Deputy Mayors; and Mr. Adisak Anantariyasub as the Secretary to the Mayor. Altogether there are 18 members in the municipal assembly.

The samples selected for interviews included

- 1) The Mayor of Kalasin Municipality (Mr. Jaruwat Boonperm)
- 2) The President of the Kalasin Municipality Assembly (Mr. Kosit Theerakul)
- 3) The Municipal Clerk of Kalasin Municipality (Mr. Chalong Karnlert)
- 4) The Acting Municipal Clerk of Kalasin Municipality/Deputy Municipal Clerk (Mrs. Ubonrat Pieakjumpa)
- 5) The Director of Finance Division (Mrs. Ubonrat Pieakjumpa)
- 6) The Director of Research and Planning Division (Mr. Apiwat Pakitung)
- 7) The Head of Planning and Budgeting Department (Master Sergeant First Class Somchai Somanusnanon)

### **3.4 Research Extent and Limitations**

The extent of research is limited to three areas.

#### **3.4.1 The Content**

The research pertains to the “intervention on local government organization through public policy: case study of Park Num Samut Prakarn Municipality and Kalasin Municipality.” The extent of research content is limited into 3 areas, namely: 1) the methods and procedures of intervention on local government organization through public policy; 2) impacts of intervention on the contents of development plan and on plan’s implementation; and 3) to investigate the patterns of local government adaptation in response to government intervention through public policy. Usually, local government organizations at a municipality level or above receive instructions from the Ministry of Interior to follow national policies, even if such policies are not



included in the municipal development plan. Agendas in local development plans should be initiated by local citizens, but in actuality local organizations are directed to follow policies in a top-down manner. Examples of top-down directives include creation of budget plans and allowances for various government policies, namely 1) to implement or support Royal Development Projects, 2) to tackle drug problems, 3) to implement projects to protect important national institutions, 4) to support Thailand's Local Cooperative to Protect Green Area, 5) to conduct city planning and improvements, 6) to prevent and reduce traffic accidents during important holidays, 7) to support local welfare funds, and 8) to support operations following Sufficient Economy philosophy. Essentially, these budget plans present misappropriation of resource and directly affect management of municipalities under their respective development plans.

### **3.4.2 The Research Units**

The researcher selects Park Num Samut Prakarn Municipality and Kalasin Municipality as research units, as explained in section 2 of Chapter 3, the Research Units

### **3.4.3 Time Period**

1) The researched time period-the researcher aims to conduct research on the time period during the Yingluck Shinawatra's premiership, between August 22, 2011 and May 22, 2013, in other words during the fiscal year 2011-2013. Fiscal year 2013, starting September 30, 2013, does not include the administrative acts conducted for the fiscal 2014 budget plan.

2) The researching time horizon-the author aims to collect necessary information, including from both primary and secondary sources from the time period cited in 3.1, conduct interviews, analyze information, and complete the research report within the time horizon of 24 months (beginning October 1, 2012 to September 30, 2014)

### 3.5 Research Tools

The research tools employed during the open-ended questions for the in-depth interviews include

Part 1-the informants' basic information such as names, positions, duration of position held, age, highest educational achievement, affiliated organization and the date of interview

Part 2-the in-depth interviews questions aimed at fulfilling research objectives. This is divided into three topics

Topic 1: The Process of Government Intervention on Local Government Organization through Public Policy and How It Impacts the Contents and the Implementation of Municipal Development Plan. This topic consists of ten questions which aim to answer the following:

- 1) The process of government intervention on local government organization through public policy in three channels, namely: 1) intervention through laws and regulations, 2) intervention on finance and budget, and 3) intervention through management and administration
- 2) The features or the types of content of development plan in which the government aims to intervene
- 3) The conflict between a policy/project the government tries to intervene and the actual content on development plan
- 4) The urgency of a policy in which the government tries to intervene
- 5) The time length of a policy in which the government tries to intervene
- 6) Methods to set up budget for implementation or promotion of projects in compliant with government policies
- 7) The number of policies/projects the government tries to intervene annually
- 8) The expectation of being forced into complying with government policies by the Ministry of Interior

9) The source of resources (budget, personnel, tools, and technology) needed to implement government policies-through intervention by the Minister of Interior

10) Evaluation on the implementation and conduct of government policies

Topic 2: The Effect of Government Intervention on the Implementation of Local Development Plan. This topic responds to the following ten points:

- 1) The effect of government intervention of fiscal budget
- 2) The effect of government intervention on human resource, personnel and employee
- 3) The effect of government intervention on technological tools
- 4) The effect of government intervention on other relevant areas
- 5) The effect on municipal development plan
- 6) The effect on municipal laws
- 7) The effect on municipal administration
- 8) The effect on implementation of municipal development plan
- 9) The effect on executive's policy
- 10) The effect on other areas

Topic 3: The Characteristics of How Local Government Organizations Adapt and Respond to Government Intervention. This topic aims to answer ten points:

- 1) The way to address the problem if a particular government policy is not included in the municipal development plan
- 2) Adaptation in terms of finance and budget to address the problem of government intervention
- 3) Adaptation in terms of human resource, personnel, and employee to address problem of government intervention
- 4) Adaptation in terms of tools and technology employed to address problem of government intervention
- 5) Adaptation in other relevant areas
- 6) Adaptation with respect to municipal development plan
- 7) Adaptation with respect to municipal law
- 8) Adaptation with respect to municipal administration

- 9) Adaptation with respect to implementation of municipal development plan
- 10) Adaptation with respect to executive's policy

### **3.6 Data Collection**

In order to gather the necessary research inputs, qualitative research was conducted through 1) in-depth interviews and 2) compilation of information and relevant researches. Data collection was carried out by the researcher during the period between October 2012 and September 2014, duration of approximately 24 months.

### **3.7 Method of Analysis**

Analysis of the data-the data collected consist of 1) information from various relevant documents and 2) interview reports. The researcher analyzes the interview results by grouping the information based on their relevance and classifies the thinking framework and topics interviewed. Relevant information was gathered from examination of literature reviews as well as analysis of primary and secondary sources. Some information was collected through internet research, from websites of relevant government institutions. Ultimately, this information is studied and analyzed along with the information derived through interviews.

## **CHAPTER 4**

### **FORMULATION OF A MUNICIPAL DEVELOPMENT PLAN**

For municipal development plan, the researcher would present only the development plan formulation process for the Kalasin Municipality, in order to convey that the process is similar in every other municipalities. There are two types of development plans, namely 1) the Kalasin Municipality strategic development plan and 2) the three-year plan. Their formulation processes are presented in the following section.

#### **4.1 Kalasin Municipality Strategic Development Plan**

The strategic development plan is a long term plan to define strategy and improve development process for local government organization. Strategic development plan shows vision, duty, and goal for future development, in line with the National Economic and Social Development Plan, provincial development plan, and district development plan.

The Kalasin Municipality strategic development plan is set up by the mayor and council members, both elected by local participants, to define vision and development strategy. Ultimately, the plan is used to define development framework, and validated through electoral process and “negotiation” between various interest groups.

The process and procedures for formulating the Kalasin Municipality Strategic Development Plan (Kalasin Municipality, 2009)

- 1) The municipality hires an advisory committee from Mahasarakham University to lay out a strategic plan that is consistent with current situations and needs of local citizens within the municipality’s border of jurisdiction

- 2) The municipality and its Municipal Development Committee hosts a conference for the local community, including representatives from relevant

government functions and public enterprises, to inform the participants on its development path. The host would also be able to understand the local needs, the development topics that have been analyzed by the advisory committee, other relevant issues, and possible technical assistance. Essentially, the discussion and information from this conference are used as basic inputs for a local plan to be addressed in the strategic development plan

3) The Support Committee for Drafting of Municipal Development Plan compiles and analyzes proposals and inputs to draft the development plan, to be presented to the Municipal Development Committee

4) The Municipal Development Committee reviews the draft strategic development plan before submitting to the mayor for approval

5) The mayor endorses and promulgates the strategic development plan

## **4.2 The Kalasin Municipality Three-Year Plan**

The Kalasin Municipality three-year plan for 2009 to 2011 is used to decide on details of programs and projects to be implemented within the three year period. These projects are grouped by their strategies and development paths and are implemented to promote and fulfill the municipality's vision. These development projects come from either fulfilling a part of municipality's mission, decentralization of authority from state to local government, jurisdiction of the municipality, local plan, or issues brought up in community meetings. All of which are developed and commissioned by the Support Committee for Drafting of Municipal Development Plan, the Municipal Development Committee, and the governing board of the Kalasin Municipality as a development framework for the three year period as well as employed as a guideline to project annual budget for the Kalasin Municipality (Kalasin Municipality, 2009).

The procedure and steps to formulate the Kalasin Municipality three-year plan is as follows (Kalasin Municipality, 2009):

1) The municipality and the Municipal Development Committee hosts a meeting between local community, relevant government functions, and public

enterprises to gather information on their needs, development and other relevant issues as well as possible technical assistance. This information is then used as inputs to formulate the three-year plan. On the procedure, Thongchai Kaewcharoen, the municipal clerk of the Kalasin Municipality summarized that the municipal development plan and its implementation is conducted in a similar fashion from year to year. It starts by surveying all the needs of local citizens and separating the response into corresponding strategies set by the governing board. The needs are then prioritized based on importance. This way the changes reflect the problems and needs of local citizens, and there is participation by local citizen in formulating the plan

2) The Support Committee for Drafting of Municipal Development Plan compiles and analyzes proposals and inputs to draft the three-year development plan, to be presented to the Municipal Development Committee

3) The Municipal Development Committee reviews the draft three-year development plan before submitting to the mayor for approval

4) The mayor endorses and promulgates the three-year development plan

For the implementation of the three-year development plan (2011-2013), the Kalasin Municipality categorizes the projects based on nine areas of development strategy, namely:

- 1) Politics and Administration
- 2) Economic Development
- 3) Social Development
- 4) Development and Preservation of Ecological Environment and Energy
- 5) Educational Development
- 6) Sports and Recreation
- 7) Religion, Traditions, Cultures, and Local Wisdom
- 8) Transportation and Basic Public Utilities
- 9) Information Technology Development and Communication

The detail of these areas of development is highlighted in Table 4.1

**Table 4.1** Summary of the Kalasin Municipality Three-year Plan for 2011-2013

Development Strategy/Method	2011		2012		2013		3-year Period	
	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)
1. Politics and Administration	25	7,820,000	33	15,001,000	32	53,763,000	90	76,584,000
1) Build knowledge and understanding of politics under constitutional monarchy with the King as the Head of State	3	700,000	4	800,000	4	800,000	10	2,300,000
2) Support local political engagement and public awareness	4	560,000	5	674,000	5	674,000	14	1,908,000
3) Creating channels for public participation and expression of political rights	2	400,000	3	1,049,000	2	400,000	7	1,849,000
4) Creating channels for public participation and expression of political rights	2	400,000	3	1,049,000	2	400,000	7	1,849,000
5) Support building of stronger community and social immunity	6	960,000	7	1,060,000	7	1,010,000	20	3,030,000
6) Improve effectiveness of government services	10	5,200,000	14	11,418,000	14	50,879,000	38	67,497,000



**Table 4.1** (Continued)

Development Strategy/Method	2011		2012		2013		3-year Period	
	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)
2. Economic Development	10	1,263,600	21	11,603,600	20	4,083,600	51	16,950,800
1) Support local economic development following Sufficient Economy philosophy	1	20,000	2	620,000	2	620,000	5	1,260,000
2) Encourage occupational capacity and support skills development	2	240,000	7	1,780,000	7	1,780,000	16	3,800,000
3) Create marketing network for merchandise sales and distributions	3	650,000	7	8,850,000	6	1,330,000	16	10,830,000
4) Publicize tourism and create tourist brochures	4		5	353,600	5	353,600	14	1,060,800
3. Social Development	70	21,722,040	71	45,800,040	68	22,889,040	209	90,411,120
1) Create social harmony for citizen	6	870,000	6	870,000	6	870,000	18	2,610,000
2) Support the institution of family	9	920,000	9	4,570,000	8	675,000	26	6,165,000

**Table 4.1** (Continued)

Development Strategy/Method	2011		2012		2013		3-year Period	
	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)
3) Create public immunity, prevention and control against infectious diseases or other diseases	23	4,380,040	15	3,105,040	15	3,105,040	53	10,590,120
4) Encourage and support children, women, the disabled, and the underprivileged	8	12,389,000	8	12,462,000	8	12,462,000	24	37,313,000
5) Create disaster prevention and mitigation plan and define initial response protocol	9	1,069,000	11	2,619,000	10	2,569,000	30	6,257,000
6) Eliminate drug problems	8	678,000	12	1,108,000	12	1,108,000	32	2,894,000
7) Create higher standard of living	7	1,416,000	10	21,066,000	9	2,100,000	26	24,582,000
4. Development and Preservation of Ecological Environment and Energy	17	67,455,480	34	201,936,132	23	210,826,116	74	480,217,728

**Table 4.1** (Continued)

Development Strategy/Method	2011		2012		2013		3-year Period	
	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)
1) Explore clean alternative energy	1	45,000,000	1	300,000	2	3,000,000	4	48,300,000
2) Control and eliminate pollution	5	549,000	5	549,000	6	36,313,636	16	37,411,636
	3	1,650,000	4	1,850,000	4	1,850,000	11	5,350,000
3) Create public awareness of the importance of ecological environment and energy	1	1,995,000	2	130,000	1	800,000	4	2,925,000
4) Develop public sanitation	4	16,585,000	3	7,620,000	2	85,000	9	24,290,000
5) Improve effectiveness of waste management	3	1,676,480	19	191,487,132	8	168,777,480	30	361,941,092
6) Improve landscape and create green space								
5. Educational Development	39	46,157,320	68	100,680,020	57	86,100,120	164	232,937,460
1) Encourage effective access to overall education system	10	36,565,520	15	40,065,520	13	48,525,520	38	125,156,560
2) Develop quality and standard of education	13	6,111,200	25	46,746,900	19	29,394,000	57	82,252,100

**Table 4.1** (Continued)

Development Strategy/Method	2011		2012		2013		3-year Period	
	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)
3) Develop quality of teachers and educational personnel	8	650,600	11	7,100,600	9	1,350,600	28	9,101,800
4) Create networks for education and use lessons to gain in new knowledge	8	2,830,000	17	6,767,000	16	6,830,000	41	16,427,000
6. Sports and Recreation	14	2,081,000	30	218,234,300	26	12,936,300	70	233,251,600
1) Encourage youths and public participation in high quality sports	5	676,000	15	207,679,300	11	2,381,300	31	210,736,600
2) Support children and youths activities	5	955,000	6	3,455,000	6	3,455,000	17	7,865,000
3) Develop quality of sport leadership and support use of equipment that meet standards	4	450,000	9	7,100,000	9	7,100,000	22	14,650,000
7. Religions, Traditions, Cultures, and Local Wisdom	9	2,013,000	9	1,906,000	10	1,906,000	27	5,825,000
1) Encourage and support continuation and preservation of traditions, cultures, and local wisdom	3	1,579,000	3	1,472,000	3	1,472,000	9	4,523,000

**Table 4.1** (Continued)

Development Strategy/Method	2011		2012		2013		3-year Period	
	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)
2) Instill ethical behavior and good morality in accordance with religious doctrines	4	274,000	4	274,000	4	274,000	12	822,000
3) Organize seminars to build and create attitudes base on religious doctrines and practice and organize lessons to pass on local wisdom	2	160,000	2	160,000	2	160,000	6	480,000
8. Transportation and Basic Public Utilities	22	24,485,243	83	216,031,100	55	61,997,600	160	302,513,943
1) Develop and improve basic public utilities to ensure quality	19	19,985,243	79	83,831,100	51	57,777,600	149	161,593,943
2) Organize orderly transportation system	1	2,500,000	2	131,200,000	1	1,900,000	4	135,600,000
3) Organize city planning and enforce law on construction in an equal and consistent manner	2	2,000,000	2	1,000,000	3	2,320,000	4	3,000,000

**Table 4.1** (Continued)

Development Strategy/Method	2011		2012		2013		3-year Period	
	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)	Number of Projects	Budget (Baht)
4) Obtain equipment to be used for public services	-	-	-	-	3	2,320,000	3	2,320,000
9. Information Technology Development and Communication	15	4,909,400	14	42,506,000	40	5,732,000	40	53,147,400
1) Develop service and information technology system	1	100,000	2	35,500,000	3	-	3	35,600,000
2) Obtain modern technology equipment for acquisition of knowledge	1	500,000	4	6,430,000	7	5,100,000	7	12,030,000
3) Develop and improve communication system and information database	10	4,159,400	5	420,000	21	470,000	21	5,049,400
4) Encourage public use of internet	3	150,000	3	156,000	9	162,000	9	468,000

**Source:** Kalasin Municipality, 2011, pp. 49-53.

From Table 4.1 an observation can be made that the Kalasin Municipality three-year plan consists of development plans that are in line with government policies in the following areas: Strategy 1 on Politics and Administration-item 1) build knowledge and understanding of politics under constitutional monarchy with the King as the Head of State and item 4) Support building of stronger community and social immunity; Strategy 2 on Economic Development-item 1) support local economic development following Sufficient Economy philosophy; and Strategy 3 on Social Development-item 4) encourage and support children, women, the disabled, and the underprivileged and item 6) eliminate drug problems.

Furthermore, it can be seen that implementation of the three-year plan of 2011-2013 divides the characteristics of projects based on nine areas of development strategy/method as stated above. The following summarizes the number of projects and budget allocated to each development strategy:

- 1) On Politics and Administration during 2011-2013, there are a total of 90 projects, using a total budget of 76,584,000 Baht
- 2) On Economic Development during 2011-2013, there are a total of 51 projects, using a total budget of 16,950,800 Baht
- 3) On Social Development during 2011-2013, there are a total of 209 projects, using a total budget of 90,411,120 Baht
- 4) On Development and Preservation of Ecological Environment and Energy during 2011-2013, there are a total of 74 projects, using a total budget of 480,217,728 Baht
- 5) On Educational Development during 2011-2013, there are a total of 164 projects, using a total budget of 232,937,460 Baht
- 6) On Sports and Recreation during 2011-2013, there are a total of 70 projects, using a total budget of 233,251,600 Baht
- 7) On Religions, Traditions, Cultures, and Local Wisdom during 2011-2013, there are a total of 27 projects, using a total budget of 5,825,000 Baht
- 8) On Transportation and Basic Public Utilities during 2011-2013, there are a total of 160 projects, using a total budget of 302,513,943 Baht
- 9) On Information Technology Development and Communication during 2011-2013, there are a total of 40 projects, using a total budget of 53,147,400 Baht

When considering the statistics on an annual basis, the following are found

In 2011 there are a total of 221 projects, using a total operating budget of 177,907,083 Baht

In 2012 there are a total of 363 projects, using a total operating budget of 853,698,192 Baht

In 2013 there are a total of 301 projects, using a total operating budget of 460,233,766 Baht

Another important point is that the municipal development plan has already included some projects that are in compliant with national policies. These are projects on building knowledge and understanding of politics under constitutional monarchy with the King as the Head of State; on economic development such as supporting local economic development through Sufficient Economy philosophy; and on social development projects such as elimination of drug problems.

In total during the period of 2011 to 2013 the implementation of the three-year development plan for the Kalasin Municipality employed a total of 885 projects and used a total operating budget of 1,491,839,051 Baht.

From the information above the implementation of the nine development strategies under the Kalasin Municipality three-year development plan for 2011 to 2013 could be ranked based on the size of budget as follows:

1<sup>st</sup>-Development and Preservation of Ecological Environment and Energy, employing a total budget of 480,217,728 Baht

2<sup>nd</sup>-Transportation and Basic Public Utilities, employing a total budget of 302,513,943 Baht

3<sup>rd</sup>-Sports and Recreation, employing a total budget of 233,251,600 Baht

4<sup>th</sup>-Educational Development, employing a total budget of 232,937,460 Baht

5<sup>th</sup>- Social Development, employing a total budget of 90,411,120 Baht

6<sup>th</sup>-Politics and Administration, employing a total budget of 76,584,000 Baht

7<sup>th</sup>-Information Technology Development and Communication, employing a total budget of 53,147,400 Baht



8<sup>th</sup>-Economic Development, employing a total budget of 16,950,800 Baht

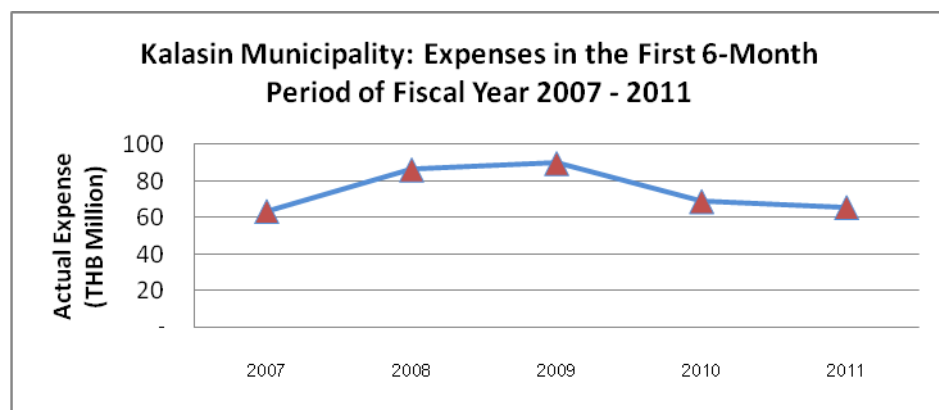
9<sup>th</sup>-Religion, Traditions, Cultures, and Local Wisdom, employing a total budget of 5,825,000 Baht (the lowest ranking)

On the other hand, according to the Municipality Act, B.E. 2496 (and amended for the 13<sup>th</sup> draft in B.E. 2552), Part 5 Section 67 (amended by the 4<sup>th</sup> draft of the Municipality Act, B.E. 2505) the expense of a municipality are defined as follows:

- 1) Employment salary
- 2) Wages
- 3) Other compensation
- 4) Current expense
- 5) Material costs
- 6) Equipment costs
- 7) Land, constructions, and other assets costs
- 8) Grants and subsidies
- 9) Other expenses in accordance to commitment or laws and regulations

enacted by the Ministry of Interior

Base on study of Kalasin Municipality, it is found that the expenses in the first six months of fiscal year 2007-2011 are as follows:



**Figure 4.1** Expenses in the First 6 Months of Fiscal Year 2007-2011

#### **4.2.1 Kalasin Municipality Expense (only for the first six month period of a fiscal year)**

##### **Fiscal Year 2007**

In the first six month period of fiscal year 2007, the Kalasin Municipality had a total expense of 63,597,209.96 Baht, a number lower than the projected expense of 77,730,480.04 Baht and higher than that of the same period during the previous year by 8,313,693.47 Baht (Kalasin Municipality, 2008, p. 1)

##### **Fiscal Year 2008**

In the first six month period of fiscal year 2008, the Kalasin Municipality had a total expense of 86,429,480.81 Baht, a number lower than the projected expense of 123,933,143.19 Baht and higher than that of the same period during the previous year by 22,832,270.85 Baht (Kalasin Municipality, 2009, p. 1)

##### **Fiscal Year 2009**

In the first six month period of fiscal year 2009, the Kalasin Municipality had a total expense of 89,849,688.36 Baht, a number lower than the projected expense of 138,965,631.64 Baht and higher than that of the same period during the previous year by 3,420,207.55 Baht (Kalasin Municipality, 2010, p. 1)

##### **Fiscal Year 2010**

In the first six month period of fiscal year 2010, the Kalasin Municipality had a total expense of 69,026,813.05 Baht, a number lower than the projected expense of 121,301,870.95 Baht and lower than that of the same period during the previous year by 20,822,875.31 Baht (Kalasin Municipality, 2011, p. 1)

##### **Fiscal Year 2011**

In the first six month period of fiscal year 2011, the Kalasin Municipality had a total expense of 65,759,856.50 Baht, a number lower than the projected expense of 147,085,543.50 Baht and lower than that of the same period during the previously year by 3,266,956.55 Baht (Kalasin Municipality, 2012:1)

When considering the Kalasin Municipality budget expense for the fiscal year 2008 to 2012 it could be highlighted that:

The municipal budget expense for the fiscal year 2008 for the Kalasin Municipality was set at 214,375,834 Baht (Kalasin Municipality, 2008, p. 19)

The municipal budget expense for the fiscal year 2009 for the Kalasin Municipality was set at 233,599,919 Baht (Kalasin Municipality, 2009, p. 18)

The municipal budget expense for the fiscal year 2010 for the Kalasin Municipality was set at 193,764,324 Baht (Kalasin Municipality, 2010, p. 18)

The municipal budget expense for the fiscal year 2011 for the Kalasin Municipality was set at 217,724,666 Baht (Kalasin Municipality, 2011, p. 18)

The municipal budget expense for the fiscal year 2012 for the Kalasin Municipality was set at 201,682,407 Baht (Kalasin Municipality, 2012, p. 18)

**Table 4.2** Municipal Budget Expense for Fiscal Year 2008-2012 for Kalasin Municipality

<b>Annual Municipal Budget Expense</b>	<b>Expense Allocated (Baht)</b>
Budget Fiscal Year 2008	214,375,834
Budget Fiscal Year 2009	233,599,919
Budget Fiscal Year 2010	193,764,324
Budget Fiscal Year 2011	217,724,666
Budget Fiscal Year 2012	201,682,407

In summary, municipality revenues can be classified into two parts, namely 1) revenues according to Determining Plans and Process of Decentralization to Local Government Organization Act, B. E. 2542 and 2) revenues according to the Municipality Act, B. E. 2496 (and amended for the 13th draft in B. E. 2552). On the other hand, municipal expense are defined in accordance to the Municipality Act, B. E. 2496 (and amended for the 13<sup>th</sup> draft in B. E. 2552), Part 5 Section 67 (amended by the 4<sup>th</sup> draft of the Municipality Act, B. E. 2505).

#### **4.2.2 Public Participation in Formulation of the Kalasin Municipality Development Plan**

Citizens within the border of Kalasin Municipality can be involved with the process for formulating the development plan through the following channels:

##### **4.2.2.1 Public Consultation**

The initial steps to formulating the municipal development plan for the Kalasin Municipality begins with surveying all problems faced by local citizens, then

sorting these needs based on their fit with the development strategy defined by the governing board. These issues are also prioritized base on importance; changes are made on the basis of public needs as a starting point. The public is able to participate through their response in survey or as a group through involvement in the Committee for Drafting Plan, Committee for Drafting of Municipal Development Plan, and the Committee on Budget Allocation for Plan Implementation. Overall, the governing board would arrange three sets of officials to conduct the necessary public consultation. The first would survey the public needs; the second would follow up on which issues can be remedied; and the third is a working team sent to implement projects.

#### 4.2.2.2 Public Meeting

After surveying for issues and needs of different communities, this information is used in public meeting for discussion and formulation of the Kalasin Municipality development plan, such as meetings set up on May 21, 2008 and June 11, 2009. The participants of the most recent public meeting consisted of (from the report of Kalasin Municipality public meeting on Formulating Municipal Development Plan on June 11, 2009 at 9.00 a.m. at the Dhamapibarn Conference Hall):

Group 1-the Mayor of Kalasin Municipality (Mr. Pinyo Rattanasart), the Deputy Mayor of Kalasin Municipality, Municipal Development Committee, Oversight and Audit Committee for Municipal Development, heads of government functions, representatives from relevant public functions or enterprises, government officials, and municipal employees. The participants from Group 1 totaled 75 people.

Group 2-the local community committees of all 36 communities, consisting of community presidents, community vice presidents, treasurers, secretaries, heads of social welfare division, heads of public utility division, heads of administrative division, heads of security and prevention division, heads of development division, and heads of education division. Overall, Group 2 totaled 249 people.

Prior to hosting the public meeting, the Kalasin Municipality hired the College of Political Science of Mahasarakham University, headed by Pol. Capt. Dr. Vichien Tunsirimongkol, Professor Cherngchan Jongsomchai, and Professor Nattapong

Rachamee, as a working group with a role to advise on formulating strategic development plan. Additionally, this working group also visited various communities and government functions to collect information to be used for analysis and as inputs for drafting the municipal strategic development plans for the period from 2010 to 2014. Once the analysis was complete and the proposal drafted, the public would have a chance to discuss the appropriateness and applicability in the public meeting. Should the participants accept these proposals and reach a conclusion, the municipality would include the proposal as a project within the three-year municipal development plan for 2010-2012.

In gathering local information, the working group from Mahasarakham University would set up small scale meetings with local communities to brainstorm future development ideas. Once this was complete, the strategic development proposals were summarized and documented as a report to be presented at the municipal public meeting. Such gesture was consistent with the Kalasin Province vision of “Strive to be developed agricultural town, the only Phrae Wa silk, attractive tourist destinations, and lively society”.

Originally, the Kalasin Municipality had eight strategic areas: 1) politics and administration, 2) economy, 3) society, 4) development and preservation of ecological environment and energy, 5) education, 6) sports and recreation, 7) religion, traditions, cultures, and local wisdom, and 8) transportation. However, the new strategy laid out nine strategic areas, namely: 1) on politics and administration would emphasize public participation; 2) on the economy, the focus would be on career development; 3) on the social front, the focus will be on the aiding the underprivileged; 4) on development and preservation of ecological environment and energy, the emphasis would be on the disposal of untreated cooking oil or waste water into streams and rivers; 5) on education; 6) on sports and recreation; 7) on religion, traditions, cultures, and local wisdom would focus on creating the municipality as a cultural center; 8) on transportation, the municipality would focus on electoral district 2 and 3, which are on lowlands and are prone to flooding, and electoral district 1, which requires maintenance on its sewage system; and 9) on information technology and communication, to modernize the municipality to provide services in offsite locations.

On the arrangement of the small scale meetings by the working group from Mahasarakham University, the objectives of the meetings are to gather information on issues and needs of each of community, so that they can be prioritized and presented at the municipal public meeting, to come up with policy response. At the most recent Kalasin Municipality public meeting on June 11, 2009, it was concluded that 19 projects were in need of immediate action:

- 1) Project to manage waste
- 2) Project to dredge water drains with mobile sand pump
- 3) Project to improve Kaeng Don Klang islet
- 4) Project to address drug problems
- 5) Build Strong Family project
- 6) Project to organize land topography to address flooding
- 7) Project to support sports
- 8) Project to support career groups
- 9) Project to teach career skills
- 10) Project to create public parks
- 11) Project to build community center
- 12) Youth Strength project
- 13) Project to create document and brochure to advertise local products
- 14) Project to foster community cooperation
- 15) Project to teach Buddhism in schools
- 16) Project to promote individual with good ethical behavior
- 17) Project to promote good health
- 18) Project to host annual sports event
- 19) Project to promote exemplary communities (from the small scale meeting)

#### **4.3 Problems and Obstacles in Participating in the Formulation of the Kalasin Municipality Development Plan**

Problems and obstacles found in the formulation of Kalasin Municipality include:

1) A direct copy of others' development plans or instances of the similarities of plan proposals from different communities is a result of the fact that communities tend to propose the same plan on a yearly basis-such as plans to build roads, dig canals, create drainage system, and keep community clean. These 'regular' proposals show lack of development to fit with current situation. In some communities, when assigned to formulate a new development plan, the leaders merely make minor adjustment to the previously year's plan to turn in.

Nevertheless, the problem of duplication or replication of a plan not only originates from local communities, but it could also be from the fact that some proposals are not accept in past review process, and the leaders have to resubmit a plan. Furthermore, some participants may not be confident that their proposals would be truly accepted into the municipal development plan, and so they would not bother to propose new development ideas and merely submit the old plan just to fulfill their duties.

One way to address this problem for the Kalasin Municipality is to host a community meetings and seminars on an effective formulation of development plan, to improve the community's capacity. Furthermore, the municipality must be more considerate of the proposed plans, to show to its people of the importance of public participant consistent with the intention of laws under the Constitution.

Another obstacle is that sometimes local communities propose plans that are more ambitious and could be not achieve with the Kalasin Municipality's current capacity. This is due to the fact that the municipality has a limited budget and most will be spent on operating expenditures such as on wages and salaries.

2) The content of the development plans may not be derived from the needs of the community, but rather from the intention or the pressure from the Kalasin Municipality itself, such as the creation of market by the mayor of Kalasin Municipality

3) Most of the proposals by local communities, to be considered for inclusion in the municipal development plan, are related to system of public utilities such as roads and drains, and the projects to address standard of living and improve society are missing.

4) Local citizens are not interested in participating in the process of plan formulation, especially when their lives are not related or affected by the issues

being discussed. Furthermore, though the intention of local governance is to encourage public participation in self-governance, the researcher has found low level of participation in the process of plan formulation. Moreover, those who participated are concentrated to the ones served in leadership positions such as the community committee and leaders.

5) In most public meetings the local participants rarely voice their opinion or bring up new ideas, and there are only a few leaders who frequently speak at the meeting

6) Community development plan proposed may not always be accepted to the municipal development plan, due to lack of review from the Municipal Development Plan Committee, municipal governing board, or those whose responsibility is to implement the plan. Thus, the main obstacle to participating in the plan formulation process, aside from having to make their proposal into community development plan, is to also to find a way to lobby to have their proposals be included in the municipal development plan.

7) Another problem is the divergence from the approved municipal development plan due to change in leadership. While a plan may be justified and approved through various steps, its actual implement may not always be in line with what is approved. In the case of change in leadership, it is likely that there would be deviation to the implementation process or selective implementation on only some part of the plan.

8) Sometimes the municipal development plan itself may limit the development progress. This can be the case when there is urgent change in circumstances in the economy or the society and a new project must take place to remedy the situation. However, such change cannot be made immediately as it is not part of the original plan. So, prior to its approval, meetings between various committees have to take place, which may take up one to two months. And, in some cases a project is not implemented at all and instead delayed to the next year plan.

9) Municipal development plan are considered temporary program; the municipality may or may not implement its proposals, which will depend of the leadership's policies, budget, urgent circumstances, and other relevant factors.

10) The Kalasin Municipality lacks the necessary tools and equipment to implement the development plan. In most cases when carrying out projects, the



municipality has to borrow equipment from the Khon Kaen Municipality, such as sewage truck to facilitate the drainage system.

11) In the public meetings to formulate the municipal development plan, most participants are from community leaders and members of the municipality, while the leaders or heads of relevant government functions or entities are not present. Instead, only government representatives are delegated to join the meeting, and they do not have the authority to make decision, thus making the agreement on the plan and its implementation unclear.

12) There is lack of necessary human resource in the Kalasin Municipality, especially the occupation of civil engineer, environmental engineer, veterinarian, doctors, and nurse, even though job advertisements have been posted. This lack of human resource directly impacts the process of plan formulation, specifically with regards to the healthcare, domestic pets, and livestock, because the municipality needs the inputs and advice on the aforementioned professionals to create an effective plan.

13) The lack of human resource mentioned above directly impacts the content of the development plan as the Kalasin Municipality is likely to avoid addressing the areas it lacks expertise. The result of this is that there is no support to the proposals in the areas with no expertise, and instead the only plans carried out are the ones that the municipality is able to take on. The projects the municipality is able to carry out are ones relating to sanitation, public utilities, transportation, and Sports to Prevent Drug Use program. All of these projects are often included and carried out on a yearly basis, while other more pressing areas such as local health are ignored.

14) There is a political patronage problem with regards to local politics, especially in the Kalasin Municipality. Instances of cheating on employment examination or dishonest appointment of government and municipal officials frequently take place. Moreover, one of the most critical problems, overlooked by the central government and its relevant parties, is “over-employment”. Specifically, large government organizations face the problem of over-employment when the number of personnel hired to take on a task is much more than what the task requires. This over-employment is a result of the patronage system, which leads to more appointments than necessary. Moreover, management’s effectiveness is reduced as some functions

could have been outsourced to private sector but are instead handled internally at higher costs, the costs that could have been more effectively used to fund necessary public utilities. Besides this, another problem local government organizations faced is the lack of human resource with specialized skills such as civil engineer, environmental engineer, veterinarian, doctors, and nurse. While advertisements have been made to attract employment, there have been lack of interest from potential applicants. This lack of applicant has been the case for the Kalasin Municipality, which to some extent is reflective of similar situations faced by local government organization all over the country.

## **CHAPTER 5**

### **RESULTS FROM ANALYSIS OF INTERVENTION ON LOCAL GOVERNMENT ORGANIZATION: CASE ON THE KALASIN MUNICIPALITY**

The researcher analyzes the intervention on local government organization through public policy for the case of Kalasin Municipality based on three study objectives 1) to study intervention on local government organizations through public policy, 2) to study the impacts of intervention on the contents of development plan and on plan's implementation, and 3) to investigate the patterns of local government adaptation in response to central government intervention. The research was conducted through two channels 1) the analysis of documents and research and 2) the analysis of the in-depth interviews. For the first two objectives, the analysis focuses on information gather from the interviews and would be supported by document research. As for the third objective, the analysis would focus exclusively on the interview materials.

#### **5.1 Objective 1: To Study Intervention on Local Government Organizations through Public Policy**

The research would only present the analysis on Objective 1 based on document research and would not employ material from the in-depth interviews.

Through research, the analysis has found that

- 1) From the concepts and theories, the principle of decentralization represents government's agreement to delegate authorities and responsibilities to local communities, to essentially lessen its burden (Wilson, & Game, 1998, pp. 19-20). Meanwhile, local governance represents the situation in which central government delegates authority to local government organizations, to allow local citizens authority

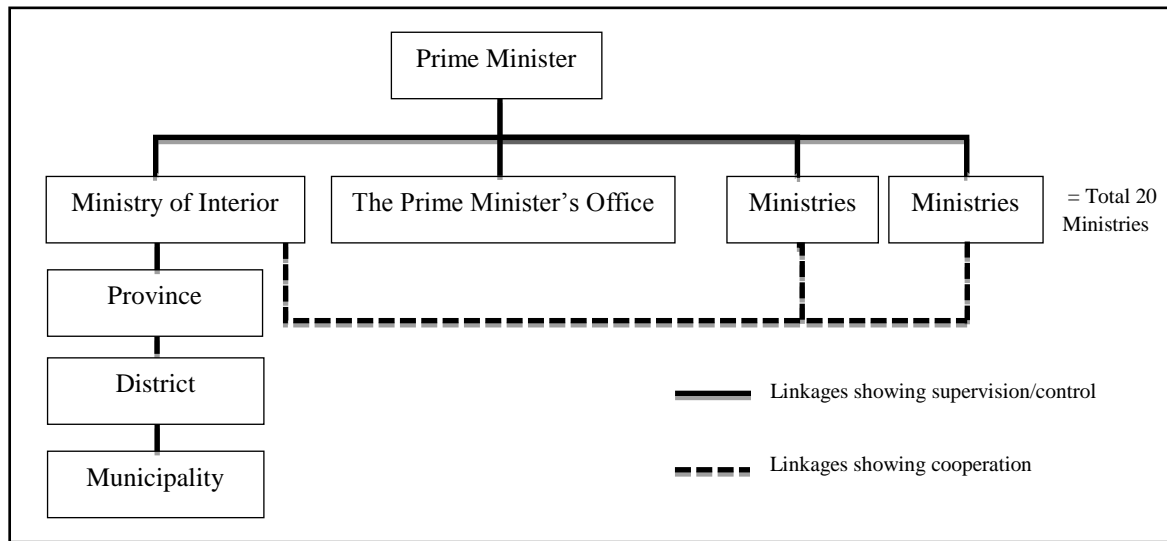
to participate in local administration. Nevertheless, local government organization must still adhere to the supreme laws of the nation (the Constitution) and does not become a new sovereign state (Wit, 1967, Montagu, 1984, as cited in Chuwong Chayabutr, 1996, pp. 23-24). In addition, from the concept of New Public Management it is stated that “government should delegate authority to communities and allow them to address their own problems; central government must decentralize power and focus on participant management” (Osborne, & Gaebler, 1992, as cited in Boobtan Dockthaisong 2010, pp. 13-14). Moreover, central government must improve its organizational structure to scale down its unit size, emphasize decentralization of power, and allow its working units (including local government organizations) to have autonomy while under its supervision (Hood, 1991, pp. 4-5). In summary, based on concepts and theories central government can legally, through constitutional acts and other relevant laws, intervene local government organization through the state policies consistent with the Directive Principles of Fundamental State Policies (Section 76 of the Constitution, B. E. 2550) and through other policy directives defined in other relevant laws.

2) From documents on intervention on local government organizations in foreign countries, it can be seen that methods of intervention can be conducted through three channels: 1) intervention through the legislative body, 2) intervention through executive body, and 3) intervention through judiciary body (The Japan Diet, 2001). The legislative body would enact laws as a tool for the executive body to take action. The executive body, namely the government, would decide on the extent and the practice on how to implement the legislative acts. In the case of England, there is not much intervention on local government due to the fact that intervention only takes place when local government fails to provide public services. From this case, it is shown that the government is a higher ranking institution than local governments and should intervene only when absolutely necessary or as the last resort (The Audit Commission, 2002). On the other hand, from the case in France the government can only intervene and control local organizations if its intention is to protect national interest and enforce compliance with the laws; there cannot be other extent of intervention (Saman Rungsiyokit, 2000, p. 27). Another interesting foreign study case is South Africa. In this case, the government intervenes on the local organization

through the reform on intergovernmental fiscal system, essentially to support poor municipalities with low capabilities (Cooperative Governance and Traditional Affaire, 2009).

3) For intervention on local government organizations in Thailand, the analysis would not only focus on the study of the process and steps on how government intervenes through public policy, but it would also highlight intervention through the legislative channel. Specifically, this section would focus on the Directive Principles of Fundamental State Policies in the Constitution, B. E. 2550, which allows government to pass on policies consistent with the fundamental state policies and enact laws based on its intended policies such as the State Administration Act, B. E. 2534, the Determining Plans and Process of Decentralization to Local Government Organization Act, B. E. 2542, the Municipality Act, B. E. 2496, the Eleventh National Economic and Social Development Plan, and various local financial regulations.

According to the Constitution, B. E. 2550, Chapter 5 on “Fundamental State Policies” highlights a key principle in which the government has to study and use to specify “government policies” as such policies must be consistent with the fundamental state policies (Section 76 of the Constitution, B. E. 2550). Essentially, this implies that the acts under the Constitution are used as the tools by the government to define the channel on how it would intervene on local governments through public policy. Subsequently, during the Yingluck Shinawatra’s premiership, the government specified its policies and announced them to the National Assembly on August 23, 2011. Once the announcement was made, the government and its cabinet took office and started administration of the nation. The details on the “fundamental state policies” and the coherent “government policies” are presented in Figure 5.1 and on Table 5.1 as follows:



**Figure 5.1** Process of Intervention on Local Government Organization Through Public Policy

**Table 5.1** Fundamental State Policies and the Government Policies

Fundamental State Policies	Key Points	Government Policies
1. General provision	Section 75-“The government shall follow the laws and define policies to administer state affairs. It shall announce the policies to the National Assembly...: Section 76-“The Council of Ministers shall prepare a plan for the administration of state affairs... plan shall be in compliance with the directive principles of fundamental state policies”	The government (Cabinet led by Prime Minister Yingluck Shinawatra) specified the policies to administer state affairs in compliance with fundamental state policies and announced to the National Assembly on August 23, 2011
2. Policy on National Security	Section 77-“The state shall protect and uphold the institution of kingship and the independence and integrity of its jurisdiction, and complete sovereignty”	2. Policy on national security 2.1 Uphold, protect and preserve the institution of the monarchy 2.5 Expediently resolve the problems of drugs, organized crime, human trafficking, illegal immigration, illegal foreign workers and individuals without legal status

**Table 5.1** (Continued)

<b>Fundamental State Policies</b>	<b>Key Points</b>	<b>Government Policies</b>
3. Policy on Public Administration	Section 78-“The state shall act in compliance with the statement administration policy (2) organizing the duties, powers, and responsibilities among central administration, provincial administration and local administration to be clear and suitable for national development... (3) Delegating powers to local governments for the purpose of autonomy and self-government of local affairs, and support local governments to participate and act in compliance with the directive principles of fundamental state policies...”	8. Policy on Good Governance 8.1 Efficiency in the Administration of State Affairs
4. Policy on Religions, Society, Public Health, Education, and Culture	Section 80 (4)-“Promoting and supporting the delegation of powers to local governments, so that they can involve in management of education”	4. Policy on Social and Quality of Life 4.3 Public Health Policy 4.5 Life and Social Security Policy
5. Policy on Law and Justice	Etc.	Etc.
6. Policy on Foreign Affairs	Etc.	Etc.
7. Policy on Economics	Section 83-“The state shall encourage and support an implementation of the sufficient economy philosophy” Section 83-“Implementing fair distribution of incomes, and protecting, enhancing and	3. Policy on Economic 3.1 Macroeconomic Policy 3.2 Policy on Income Generation 3.3 Economic Restructuring Policy

**Table 5.1 (Continued)**

Fundamental State Policies	Key Points	Government Policies
8. Policy on Land, Natural Resources, and the Environment	<p>extending the occasion to occupation of the public for economic development as well as promoting and supporting the development of local wisdom and Thai wisdom for the manufacturing of goods and providing of services and for use in occupation”</p> <p>Section 83-“Providing infrastructure necessarily for the living of people with a view to maintain economic security of State”</p>	5. Policy on Land, Natural Resources and the Environment
	<p>Section 85 (3)- “Preparing city planning and developing and carrying out such plan effectively and efficiently...”</p>	5.1 Protection and conservation of forests and wildlife resources
	<p>Section 85 (4)-“Preparing systematic management plan for water and other natural resources for the common interests of the nation, and encouraging the public to participate in the preparation , conservation and exploitation of natural resources and biological diversity appropriately”</p> <p>Section 85 (5)-“Promoting, conserving, and protecting of the quality of the environment under sustainable development principle, and controlling and limiting emission of pollution which may affect health, sanitary, welfare and quality of life of the public, by</p>	5.2 Protection and conservation of marine and coastal resources



**Table 5.1 (Continued)**

<b>Fundamental State Policies</b>	<b>Key Points</b>	<b>Government Policies</b>
	encouraging involvement in determining the policy directions and administration”	
9. Policy on Science, Intellectual Property, and Energy	Section 86 (2)-“Systematically and continuously promoting and supporting the research, the development, and the use of natural alternative energy which is beneficial to the environment ”	6. Policy on Science, Technology, Research and Innovation
10. Policy on Public Participation	Section 87 (1)-“The State shall encourage public participation in the determining policies and develop social and economic development plan both at the national and local level” Section 87 (2)-“The State shall encourage and support public participation to make decision on politics and the making of economic and social development plan and on the provision of public services” Section 87 (5)-“The State shall encourage and education the public on development of politics and public administration under the democratic regime of government with the King as Head of State, and encourage the public to exercise their rights to vote honestly and uprightly...”	8. Policy on Good Governance 8.1 Efficiency in the Administration of State Affairs

4) Based on the study of the Eleventh National Economic and Social Development Plan (2012-2016), there are many channels and methods to intervene local government organization through public policy. Intervention can be seen in the formulation process to the plan implementation, from the government level to the local government level (illustrated in Figure 2.3). Furthermore, linkages and mechanism are defined to connect policy plan at national level to the local development plan. For instance, local government organizations must formulate their three-year development plans (for district/municipality/sub-district) to be implemented, and in that implementation process, a budget must be created to cover the annual expense going forward. The three-year plan would be intervened by the government to include main government policies, especially the “policy on national security” and “the economic policy following the Sufficient Economy philosophy.” These three-year plans are then included in the projects under government policies in the government’s annual action plan (illustrated in Figure 2.4)

5) From the laws relevant to intervention on local government organization, namely State Administration Act, B. E. 2534, Determining Plans and Process of Decentralization to Local Government Organization Act, B. E. 2542, the Municipality Act, B. E. 2496, the Ministry of Interior’s Regulation on Finance, Budget, and Financial Audit of Local Government Organization, B. E. 2541, it is found that each of these laws/regulations defines channels and steps to intervene all levels of local government organizations.

#### **5.1.1 State Administration Act, B. E. 2534 (1991)**

The law defines three levels of state administration: 1) central government administration, 2) regional government administration, and 3) local government administration. The act allows the Prime Minister the authority to command central government, regional government, and government functions that oversee local administration (central government includes Ministry of Interior and Department of Local Administration) to explain and report on their failure to take certain duties, as such absence is conflicting with the government or the Cabinet’s policies. Moreover, the Prime Minister has the authority to order investigation on the local administration (Section 11 (1) of the State Administration Act). As for regional administration, the

intervention on local governments are exerted through delegating the provincial governors responsibilities to oversee the local administration (Section 57 (7) of State Administration Act) and the district officer the authority to oversee the administration of local districts (Section 65 (4) under the State Administration Act).

### **5.1.2 The Determining Plans and Process of Decentralization to Local Government Organization Act, B. E. 2542 (1999)**

This Royal Decree specifies the steps and procedures for intervention on local government through public policy as follows:

1) The first channel of intervention is by the Committee on Decentralization to Local Government Organization, headed by the Prime Minister (Section 6 of the Act). The Committee has a total of ten responsibilities, which allow them the authority to intervene on local governments. These responsibilities include the mandate to formulate plan for decentralization to local governments; to organize provision of public services based on responsibilities between state and local governments; to adjust proportion of taxes, revenues, and income between state and local governments; to specify the criteria and procedures on delegation of tasks from state and regional government to local governments; to coordinate the transferring of government officials and relevant government personnel; to provide advice and proposal on financial, fiscal, and tax measures; to encourage local organization's fiscal discipline; to allocate extra budget to local governments from transfer of new responsibilities; and to review the criteria to allocate financial support to local organizations based on their needs (Section 12 of the Determining Plans and Process of Decentralization to Local Government Organization Act).

2) The second channel is intervention through delegation of tasks and responsibilities to local organizations to organize system of public services, to benefit their local citizens. There are 31 areas of responsibilities, covering all aspects including society, economics, and politics. Most important are the local organization's tasks to formulate their own development plans and help coordinate creation of provincial development plan under the rules set by the Cabinet; to promote public participation in local development; and to participate in other activities and tasks delegated by the Committee on Decentralization (Section 16 and 17 of the Act on decentralization).

3) The third channel is intervention through allocation of taxes and revenues. Under the Act, municipalities are allowed to generate income from taxes, fees, and revenues-through 20 income sources specified. These are property tax, local maintenance tax, advertisement board tax, value added tax, business tax, excise tax, motor and vehicle tax and charge, gambling tax, education tax, livestock killing duty, mineral royalty fee, petroleum royalty fee, registration of title license and juristic act relevant to property, airport duty, liquor selling license fee, gambling license fee, penalty fee, fee from using of water from artesian well, and other income prescribed by the law (Section 23 of the Act on decentralization). Besides this, local government organizations may have other sources of earnings such as from revenues from local assets, public utilities, business and commercial activities, service fees, aid from the government, public entities, other local government organizations, foreign aid, donations, national assets, and special charges. To collect revenues from issuing bonds, lending, and those derived from national assets, local authority must promulgate a local law allowing them to do so and get approval from the Cabinet (Section 28 of the Act on decentralization).

4) The fourth channel is intervention through the decentralization plan. Through decentralization plan, the central government can intervene in a number of ways. Most importantly, it can intervene through 1) the plan's allocation of tax revenues, financial aid and other incomes for local government organizations. For the period up to 2006, the plan allowed increased revenues for local government organizations, a proportion of at least 35 percent of government revenues, so that local organizations could sufficiently provide public services on their own (currently, the government may only allocate 28 percent of its revenue). Another intervention on the plan is 2) from allowing the state to arrange financial support for local government. This is so that local government organizations can set an annual budget on activities relevant to public services and use of the funds to meet the needs and desire.

### **5.1.3 The Municipality Act, B. E. 2496 (1953)**

This Royal Decree specifies the steps and process for intervention on local government through public policy by empowering provincial governor the authority

to direct and oversee city and town municipalities in a number of ways. Through the Act, the provincial governor has the authority to advise, suggest, reprimand, audit local administration, request documents as well as summoning members of municipal assembly for questioning. Such power is used to ensure that the municipalities under his jurisdiction comply with the laws. Furthermore, the governor may withdraw or orders restrain on municipal activities, and report to the Minister of Interior for judgement should the municipal governing body, the mayor or relevant personnel conduct their roles in the way that is damaging to the municipality or the administration even when already cautioned by the governor. Additionally, in the case of violation of peace, neglect of duty and misconduct that is detrimental to the government, the governor may submit opinion, along with evidence of misconduct, to the Minister of Interior to decide on possible dismissal of the municipal council or the mayor. Finally, according to the Municipality Act, the governor may recommend disbanding of the municipal council to the Minister of Interior if the administration of municipality causes great damages to the local people or the national interest as a whole. Besides empowering the provincial governor, the Act also delegates power to the chief district officer to oversee municipal sub-district in a number of ways, namely: 1) assist the provincial governor in overseeing municipal sub-districts so they comply with the laws, 2) order withdraw or restrains on activities by the municipal council or the mayor in the case when these actors conduct their duties in the way that is damaging to the municipality or the administration when the chief district officer has already warned them of their misconduct.

#### **5.1.4 The Ministry of Interior's Regulation on Finance, Budget, and Financial Audit of Local Government Organization, B. E. 2541 (1998)**

The regulation allows intervention on local government through public policy in many areas. Of importance is that the regulation mandates the Permanent Secretary of the Ministry of Interior to maintain compliance and authorize the Secretary with the power to decide on problems, with an exception to actions in compliance with this regulation. The Permanent Secretary may also delegate certain authorities to provincial governors (Clause 4 of the regulation). Furthermore, the Permanent

Secretary may authorize provincial governors, chief district officer, and deputy officer as the head of sub-district, and the Office of the Auditor General the power to oversee and audit regional administration (including at local level) (Section 88, 89, 91, 92, 93 of the regulation). Lastly, the regulation empowers the provincial governor, the chief district officer, or the deputy officer as the head of sub-district with the authority to approve annual budget and expense of local government organization, on a case by case basis (in accordance with the Regulation on Finance, Budget, and Financial Audit of Local Government Organization, B. E. 2541).

### **5.1.5 Relevant Researches**

There are a number of researches that explore the ways and the process of intervention on local government through public policy. The author would present the results from four researches as follows:

1) The findings from the research of National Institution of Development Administration (2003) titled “Jurisdiction and Relationship among Local Government Organization, Central Government, Provincial Administration Organization, Regional Organization, and Interrelations among Local Government Organizations:”

It was found that central and regional governments have roles, authorities, and ways to intervene on local government organization through public policy, by employing relevant laws. This was evinced even when the research was aiming only at highlighting relationships among local government organizations and between regional and central governments, and not focusing on actual intervention through public policy.

2) The findings from the research by Anurak Gavijong (2012, pp. 134-137) titled “The Relationship between the State and Local Government Organization: Case Study on the Control through Use of Official Mandate on Local Sub-district Administration in Mae Onn Area, Chiang Mai”:

It was found that official mandate letters from central government is a form of intervention on local government organizations.

3) The findings from the research by Udom Tumkosit (2006, pp. 180-190) titled “The Performance Comparison of Local Administrative Organization with Fusion of Power and Separation of Power in Thailand”:

It concluded that local administrative form of separation of power is superior to the local administrative form of fusion of power due to lower extent of intervention on local organization.

4) The findings from Thanet Charoenmuang (2001, pp. 122-126):

It was found that there is too much intervention on municipalities by the central administration, especially through the legislative angle. This results in municipalities having limited scope of authority but too many responsibilities, without adequate funding. Generally, central government intervenes through three policy channels: on administration, on finance, and on management. And, it is from such intervention that leads to the problem of ambiguous relationship between state and local governments, resulting in operational gaps.

#### **5.1.6 Research on Official Mandates under Regulations on State Administration**

Analysis on these mandates finds that many official mandates from the Ministry of Interior from 2011 to 2013 are used as steps for intervention on local governments through public policy. The Ministry of Interior plays an important role in controlling, directing, and overseeing all types of local organizations, and it is through this ministry that state policies are implemented-through its official mandates. Essentially, this presents one of the many channels of government intervention on local governments through public policy. The proceeding section presents an analysis on intervention through the mean of official mandates, Figureed in Table 5.2.

**Table 5.2** Procedures for Intervention through Official Mandates under the Regulations on State Administration

Official Mandates	Summary of Main Points	Intervention conforming to Government Policy
Ministry of Interior Official Mandate (Extremely Urgent) No. Mor Tor 0808.2/Vor2072 (๓๗ 0808.2/2072) dated June 14, 2011 titled “Practice of Methods to Allocate Local Government Organizations Annual Budget for Fiscal Year 2555 (2012)” stated that the practice shall be in accordance with the following: official mandates from Department of Local Administration (Extremely Urgent) No. Mor Tor 0808.2/Vor543 (๓๗ 0808.2/๕43) dated March 23, 2007; No. Mor Tor 0810.1/Vor848 (๓๗ 0810.1/๘48) dated May 1, 2009; the Ministry of Interior official mandate (Extremely Urgent) No. Mor Tor 0808.2/Vor1224 (๓๗ 0808.2/๑224) dated April 22, 2009; official mandates from Department of Local Administration (Extremely Urgent) No. Mor Tor 0891.4/306 (๓๗ 0891.4/306) dated February 3, 2011; No. Mor Tor	<p>Defined that budget allocation shall be</p> <p>- to implement or support the Royal Projects from His Majesty King Bhumibol Adulyadej and Her Majesty Queen Sirikit.</p> <p>- to prevent and address drug problems</p> <p>- to set up projects to protect important national institutions, especially the Royal Institution</p> <p>- to promote projects for Thailand’s Local Cooperative to Protect Green Area in honor of His Majesty the King 84th birthday</p> <p>- to plan and organize overall city/community plan and develop capacity for local organization personnel to have knowledge on city planning</p>	<p>2. Policy on National Security</p> <p>2.1 Uphold, protect and preserve the institution of the monarchy</p> <p>2.5 Expeditiously resolve the problems of drugs...</p> <p>-Similar to 2.1</p> <p>-Similar to 2.1</p> <p>5. Policy on Land, Natural Resources and the Environment</p> <p>3. Policy on Economic</p> <p>3.3 Economic Restructuring Policy</p>



**Table 5.2 (Continued)**

Official Mandates	Summary of Main Points	Intervention conforming to Government Policy
0891.4/682 (၁၂၈ 0891.4/682) dated March 23, 2011; No. Mor Tor 0891.4/Vor2502 (၁၂၈ 0891.4/၁ 2502) dated August 20, 2010; and the Department of Local Administration mandate No. Mor Tor 0891.4/Vor1659 (၁၂၈ 0891.4/၁ 1659) dated August 24, 2010.	<ul style="list-style-type: none"> <li>- to promote and support social welfare funds, based on the principle to promote savings into three parts: one part by citizen, one by the local organization, and one by the government.</li> <li>- to encourage and support implementation of Sufficient Economy philosophy in household, community, and local administrative organization levels</li> </ul>	- Introduction on the principle of how policies will be implemented
The Department of Local Administration official mandate No. Mor Tor 0891.4/Vor2436 (၁၂၈ 0891.4/၁2436) dated December 7, 2011 titled “Support for Implementation of Capacity Development Programs for Communities and Village (SML)” to be presented to the Regulations of the National Village and Urban Community Fund Office, based on the implementation principles and details on important projects under the 2011 capacity development program (SML)	<ul style="list-style-type: none"> <li>- The government has a policy to strengthen villages and communities by allocating a budget of 300,000 Baht to villages and small communities, 400,000 Baht to medium-size communities, and 500,000 Baht to large-size communities. Accordingly, the National Village and Urban Community Fund Office acts as the lead for the program, with the Department of Provincial Administration under the Ministry of Interior providing the support, and the Office may include a large project in local development plans and use funds from local organizations when a project, derived from public meeting, requires more funding than originally allocated.</li> </ul>	- Municipalities include this in the municipal development plan and on the annual budget bill. It is implemented on a yearly basis

**Table 5.2** (Continued)

Official Mandates	Summary of Main Points	Intervention conforming to Government Policy
The Department of Local Administration official mandate (Extremely Urgent) No. Mor Tor 0891.4/Vor1370 (มท 0891.4/ว 1370) dated May 25, 2012 on “Support for Activities under the Thai Women Empowerment Funds”	- The activities under the Thai Women Empowerment Funds, based on the government’s urgent policy for fiscal year 2012, are to provide circulation of funding, with low or no interest for career development and building, and create income, to ultimately develop social safety net and welfare for women and development of women capacity and women networks	- Municipalities include this in the municipal development plan and the annual budget bill. It is implemented on a yearly basis
The official mandates from The Narcotics Control Board No. 14/2553 dated December 21, 2010 and from the Department of Local Administration No. Mor Tor 0810.1/Vor163 (มท 0810.1/ว 163) dated January 24, 2011	- Defined a 3-month urgent action plan (January – March of 2011) to support the Strong Thailand Action Plan to Sustainably Win Over Illicit Drugs. This plan would employ the strategy of “Hah Rua Pong Kun Raya Ti Sam” (Five Defensive Walls on Stage 3), by directing that every province and mechanisms created temporarily to create a 3-month urgent action plan to materially address drug problem and report their results on a monthly basis	- Municipalities have created and implemented the 3-month urgent action plan
The official mandates from the Prime Minister No. 154/2554 on “Power of the Land to Win Over Illicit Drugs” and from the Department of Local Administration (Urgent) No.	- Assigned illicit drug problem as a national agenda from the announcement of government policies by Prime Minister Yingluck Shinawatra to the National Assembly on August 23,	- Municipalities include this in the municipal development plan and the annual budget bill. It is implemented on a yearly basis

**Table 5.2** (Continued)

Official Mandates	Summary of Main Points	Intervention conforming to Government Policy
Mor Tor 0810.2/Vor2226 (๓๔๗ 0810.2/๗2226) dated October 19, 2011	2011. Accordingly, every government functions, public entity, and the Department of Local Administration must treat the problem as an urgent mission, and it is their responsibilities to work together to complete the mission and support the Center of Power of the Land to Win Over Illicit Drugs in every level of the society, especially in the working at the sub-district, village and community levels	
The official mandate from the Department of Local Administration (Extremely Urgent) No. Mor Tor 0891.4/Vor8893 (๓๔๗ 0891.4/๗8893) dated March 30, 2012 on “Support the work under the Bumbut Took Bumrung Suk Project [Heal Grief and Maintain Happiness] based on Area Based Collaborative Research (ABC)”	- Defined the Bumbut Took Bumrung Suk Project based on Area Based Collaborative Research (ABC) to be conducted in every province to address problem of poverty and improve the citizens’ standard of living based on their areas. The program would employ accounting of household and community plan as tools to assess citizens’ actual needs and issues, to ultimately bring about steps to correctly address the problems and meet the needs of citizens. Furthermore, the program would bring in local leaderships, members of local assembly, and representatives from targeted local government organizations to take part as a working committee at sub-district	- Municipalities include this in the municipal development plan and the annual budget bill. It is implemented on a yearly basis. It would conform to government policies and in harmony with the fundamental state policies under the Constitution, which is a tool created by the legislative body or the parliament. This ultimately validates intervention on local government organization legally and righteously and conforms to the theories and practices in other democratic countries worldwide.

**Table 5.2** (Continued)

Official Mandates	Summary of Main Points	Intervention conforming to Government Policy
	and village level, to organize public meetings to exchange knowledge and ideas. Additionally, local organizations would support the publication of the report on census information for households and arrange their officials to record such information on households under their respective jurisdiction; support organizing of knowledge seminar; and support the development process for community development plans and to be incorporated into local development plans.	

The conclusion drawn from the overall analysis based on Objective 1: To study intervention on local government organizations through public policy is as follows:

1) Intervention on local government organizations by central administration conforms to the theory on decentralization that “central government delegates authority to local government organizations; local government organization must still adhere to the supreme laws of the nation (the Constitution) and does not become a new sovereign state.”

2) There are three channels for intervention from the case studies on intervention on local government organizations in other countries, namely: 1) intervention by the legislative body, 2) intervention by the executive body, and 3) intervention by the judiciary body. All of which are similar to cases experienced in Thailand.

3) In the case of Thailand, intervention by the legislative body is accomplished through promulgation of laws such as the laws under the Constitution

and other relevant Royal Decrees. These laws are used by the administrative body as a tool for intervention. Furthermore, the laws under the Constitution, B.E. 2550 define the “fundamental state policies” for the administrative body to create the government policies to conform to. Essentially, the government policies are used as a channel to create steps and procedures to intervene on local government organizations.

4) The State Administration Act, B.E. 2534 is an act which defines the steps and procedures for intervention on local government organizations through public policy. Under the Act, intervention on local government is conducted through central and regional administration.

5) The Determining Plans and Process of Decentralization to Local Government Organization Act, B.E. 2542 is an act that defines procedures for intervention on local organizations by authorizing the Committee on Decentralization to Local Government Organization, headed by the Prime Minister, with a total of ten responsibilities. Furthermore, the Act also authorizes the Committee the role to organize system of public services in 31 areas, to benefit their local citizens. Moreover, the Act specifies the allocation of taxes, revenues, financial aid, and other income for local government organizations for the period before 2006, such that local organization had greater revenue, of at minimum of 35 percent of government income, so that they could carry on provision on public services. Finally, central administration may allocate financial aid to local organizations and may set annual budget on public services to meet the needs and wishes of local government organizations. In sum, this Act presents one way in which the central government takes part in structuring the ways to intervene on local government organization through public policy.

6) The Municipality Act, B.E. 2496 is an important act that clearly defines the process of intervention on the local organization of municipality, by empowering provincial governors the authority to direct and oversee city and town municipalities and the chief district officer the authority to direct and oversee sub-districts.

7) The Ministry of Interior’s Regulation on Finance, Budget, and Financial Audit of Local Government Organization, B.E. 2541 defines a method of intervention by empowering the Permanent Secretariat of the Ministry of Interior,

provincial governors, chief district officers, deputy district officers as the head of sub-district the authority to judge and decide on problems (applied to the Permanent Secretary); the power to direct, oversee, and audit local communities (applied to provincial governors, chief district officers, deputy district officers, officers from the Office of the Auditor General); and the authority to approve annual budget for local government organizations (applied to the provincial governors and the chief district officers).

8) The official mandate from the Ministry of Interior is another method for intervention on local government organization through public policy. Through this method, the Ministry of Interior applies the policies directed by the Prime Minister into actual practice. The process starts when the Minister of Interior, the Permanent Secretary of the Ministry of Interior, or the Director-General of the Department of Local Administration issues the Ministry of Interior official mandates to regional administrations. From there the provincial governors would issue another official mandate to local government organizations by referring to the mandates from the Ministry of Interior.

#### 5.1.6.1 The Advantages and Disadvantages of Intervention on Local Government Organization through Public Policy

From the analysis in the previous section, the author presents the advantages and disadvantages of intervention on local government organizations through public policy in Table 5.3.

**Table 5.3** Advantages and Disadvantages of Intervention on Local Government Organizations through Public Policy

Relevant Theory/Laws	Advantages	Disadvantages
Theory on Decentralization	- Induces more effective response to the needs of local citizens	<u>In terms of politics</u> - Decentralization may lead to lack of political unity and stability
	- Lessens the burden on central administration	<u>In terms of finance</u>
	- Promotes and develops local politics based on system of democracy	- Too much decentralization may lead to lack of financial stability for the nation

**Table 5.3** (Continued)

Relevant Theory/Laws	Advantages	Disadvantages
	(existence of government intervention through public policy positively affects decentralization of power to local communities)	<u>In terms of equality</u> - The greater the extent of decentralization, the higher the likelihood that there would be greater disparity among various regions/communities  <u>In terms of resource utilization</u> - When each region has greater autonomy, there is likelihood that utilization of resources will not be efficient
Concepts on Local Administration	- There is defined border of jurisdiction and legal status for organizations to freely taking on tasks - There is free election so that local citizens can participate in self-governance - Local communities have the freedom to generate/seek their own income	- Some local organizations may possess sufficient capacity such as not enough financial resource to manage its areas, or the leaders may lack the necessary knowledge, capability, or morality—thus resulting in central administration intervention on local organization through public policy
	Ultimately, local government organizations must still adhere to the supreme laws of the nation (the Constitution) and does not become a new sovereign state, based on the principle that Thailand is a unified kingdom and cannot be separated	
The Laws under the Constitution	- Allow local government organizations to participate and	

**Table 5.3** (Continued)

Relevant Theory/Laws	Advantages	Disadvantages
	<p>act in compliance with the directive principles of fundamental state policies; and develop local economics, public utilities and assistances and information infrastructure (Section 78 (3) of the Constitution)</p> <p>- Encourages public participation in determination of public policy and the formulation of local economic and social development plans (Section 87 of the Constitution)</p> <p>All of these are considered positive effects from intervention.</p>	
The State Administration Act	<p>- Delegating authorities to local government organizations helps lessen the burden of central administration. Under the Act, the overall administration is classified into three levels, namely: central administration, regional administration, and local administration</p>	<p>- Local government organizations lack the autonomy to self-govern, because there is exertion of control through the authority to direct and oversee by the executive branch of the government, from the Prime Minister, ministers, director-generals, provincial governors to the chief district officers</p>
Determining Plans and Process of Decentralization to Local Government Organization Act, B.E. 2542	<p>- Defines roles and responsibilities for local governments to organize their own system of public services to benefit their own citizens</p> <p>- Allocates proportion for taxes and revenues to be received by</p>	<p>- Local government organizations lack the autonomy to collect its own taxes and revenues. The central government must provide annual financial aid and must employ its own department to collect</p>



**Table 5.3** (Continued)

Relevant Theory/Laws	Advantages	Disadvantages
	<p>local government organizations, so they have the capability to provide public services</p> <p>- Specifies that the state must allocate some financial aid so that local administrations can create annual budgets for the expense needed to satisfy public services and needs to citizens</p> <p><u>In sum</u>, intervention on local government creates positive effects, because it allows local organizations to have sufficient income to fund services</p>	<p>revenues or disburse funds to local organizations</p> <p><u>In sum</u>, there is too much intervention on local government organization in the area of finance</p>
The Municipality Act, B.E. 2496	<p>- Controls, directs, and oversees local government organizations (municipality) so that they use their existing authority within the confine of laws.</p> <p>Furthermore, the Act prevents the municipal leaderships from carry on tasks that may induce damages to the municipality or the government, or take on actions that may disturb peace</p>	<p>- The executives from central administration may exert too much authority to control, direct and oversee, resulting in too much intervention on local governments</p>
The Ministry of Interior's Regulation on Finance, Budget, and Financial Audit of Local Government Organization, B.E. 2541	<p>- The Act controls the collection, withdrawal, maintenance, and audit of local government funds. This leads to transparency and reduction of corruption and illicit behaviors in local governments' financial activities</p>	<p>- Leads to lack of flexibility for the local government organization to collect, withdraw, and maintain its funds. This may also lead to inefficient and ineffective administration of local government</p>

## **5.2 Objective 2: To Study the Impacts of Intervention on the Contents of Development Plan and on Plan's Implementation**

For the analysis of Objective 2, the researcher would first present the results from document analysis, follow by those from in-depth interviews. Meanwhile, the analysis of the impact on contents and implementation of projects under the Kalasin Municipality development plan for 2011-2013 and the annual expense budget bill for the corresponding years (2011-2013) are already presented in Chapter 4. For this section, the researcher would present the analysis in the following order:

- 1) Content of the Kalasin Municipality development plan
- 2) The impacts on the contents of development plan
- 3) The impacts on the activities following municipality development plan
- 4) Conclusion

The results of the analysis on item 1 and 2 would be derived through document analysis, while the analysis based on in-depth interviews was used for item 3. All of these are combined into item 4, the concluding section.

### **5.2.1 Results from Document Analysis**

The analysis finds the following:

5.2.1.1 Most of the contents in the Kalasin Municipality three-year development plan conform to the government policies. This is due to the fact that formulation of the three-year plan is a direct command from the government, through the Office of the National Economic and Social Development Board (NESDB), which has the strategic objective to create a national plan that synchronized with development plans of all levels. These plans include 1) the National Economic and Social Development Plan, 2) the ministerial development plan, 3) the provincial development plan, 4) the local development plan, and 5) the village/community development plan. In addition, the nine strategic development areas are 1) on politics and administration, 2) on economics, 3) on society, 4) on the preservation of ecological environment and energy, 5) on education, 6) on sports and recreation, 7) on religion, traditions, cultures, and local wisdom, 8) on transportation and basic public

utilities, and 9) on development of information technology and communication. For the year 2011 to 2013, the number of projects and budget allocated are Figureed in the table below:

**Table 5.4** The Number of Projects and Budget

2011	221 Projects	Budget: 177,907,083 Baht
2012	363 Projects	Budget: 853,698,192 Baht
2013	301 Projects	Budget: 460,233,776 Baht

From the three-year development plan above, the Kalasin Municipality had the capacity to pass the bill on fiscal year expense by selecting projects under the three-year plan to be included in its annual plan and the annual fiscal year budget.

**Table 5.5** Municipal Law on Fiscal Year Expense

<b>Municipal Law on Fiscal Year Expense</b>	<b>Total Expenditure (Baht)</b>
2011	217,724,666
2012	201,682,407
2013	210,545,300

Analysis of the three-year development plan and the Kalasin Municipality annual plan in all nine areas shows that most of the plans' contents conform to the government policies (lead by Prime Minister Yingluck Shinawatra), with the exception of certain areas of contents. For example, the content not conforming to the state policies is the development plan on transportation and basic public utilities, which follows policies of the municipality and those of communities within the municipality, as presented in Table 4.1, which summarizes projects under the three-year development plan for 2011-2013 for the Kalasin municipality. Moreover, in the proceeding section on the impact of government intervention on the contents of the Kalasin Municipality development plan, the researcher would present Table 5.4 summarizing projects under the Kalasin Municipality three-year plan that conform to the government policies.

### 5.2.1.2 The Impact of Government Intervention Through Public Policy on the Contents of the Kalasin Municipality Development Plan

The analysis finds that on the formulation of the strategic developments for the Kalasin Municipality three-year development plan, the municipality would follow the guidelines or policies set by the National Economic and Social Development Plan, which defines the strategy to create development plans that conform to the government policies, starting from formulation of the national development plan, the ministerial development plan, the provincial development plan, the local development plan, and the village/community development plan. The local development plan is a three-year plan. Specifically, the programs/projects included in the three-year plan would be screened or selected based on their importance to be part of an annual development plan and allocated a budget in the bill on fiscal year expense for the next fiscal year. Therefore, this indicates that the analysis of the impacts of government intervention on contents of the Kalasin Municipality development plan is in fact the analysis of the impacts on the contents the three-year and the annual development plan and their associated budgets for the fiscal year 2011-2013. The researcher presents the details on the impact of government intervention through public policy on the contents of the Kalasin Municipality development plan in Table 5.6 below.

**Table 5.6** Impacts of Government Intervention through Public Policy on the Contents of Kalasin Municipality Development Plan

Development Strategies/Development Contents	Conformance to Government Policies	Impacts of Intervention on the Annual Development Plan
<b>1. Politics and Administration</b>	- Conforms to government policies	- <u>Low</u> impact on the contents of annual plan or the law on fiscal year expense, because the
1) Creates knowledge and understanding of politics and public administration under the democratic regime of government with the King as Head of State	- <u>High</u> level of government intervention through public policy	municipality has already included important projects in the three-year plan, so such projects can be

**Table 5.6** (Continued)

<b>Development Strategies/Development Contents</b>	<b>Conformance to Government Policies</b>	<b>Impacts of Intervention on the Annual Development Plan</b>
4) Promotes strong communities 5) Improves government service efficiency		included in the annual plan and allocated budget right away. Also, important projects under this strategy are carried out on an on-going, yearly basis and most importantly are related to national security.
<b>2. Economic Development</b> 1) Promotes and support development of economics based on the philosophy of Sufficient Economy 4) Promotes tourism	- Conforms to government policies - <u>High</u> level of government intervention through public policy	- <u>Low</u> impact on the contents of annual plan or the bill on fiscal year expense, because the municipality has already included important projects in the three-year plan, so such projects can be included in the annual plan and allocated budget right away, and these are important projects that are carried out continuously on an annual basis.
<b>3. Social Development</b> 4) Promotes and supports children, women, the disabled, and the underprivileged 5) Prevents and mitigate public hazard 6) Eradicates drug problems	- Conforms to government policies - <u>High</u> level of government intervention through public policy	- <u>Low</u> impact on the contents of annual plan or the bill on fiscal year expense, because the municipality has already included important projects in the three-year plan, so such projects can be included in the annual plan right away, and these are important projects that are carried out continuously on an annual basis.
<b>4. Development and Preservation of Ecological Environment and Energy</b> 2) Controls and eliminates pollution	- Conforms to government policies - <u>Low</u> level of government intervention through public policy	- <u>Low</u> impact on the contents of annual plan or the bill on fiscal year expense, because the municipality only created budget for projects to eliminate solid

**Table 5.6** (Continued)

<b>Development Strategies/Development Contents</b>	<b>Conformance to Government Policies</b>	<b>Impacts of Intervention on the Annual Development Plan</b>
4) Develops system of water waste management		waste. For other projects, the municipality must coordinate with local factories and the Ministry of Industry
5) Eliminates solid waste		
<b>5. Education</b>	- Conforms to government policies	- <u>Low</u> impact on the contents of the plan, because the municipality only has the authority to organize educational system in its area
1) Promotes efficient access to total educational system	- <u>Low</u> level of government intervention through public policy	- <u>Low</u> intervention from central administration
3) Improves quality of teachers and educational personnel		
<b>6. Sports and Recreation</b>	- Conforms to government policies	- <u>Low</u> impact on the contents of the plan, because the municipality already has the authority and responsibility to promote sport activities for youths and general public in its area
1) Supports sport activities for youths and general public	- <u>Low</u> level of government intervention through public policy	- <u>Low</u> intervention from central administration
3) Develops quality of sport leadership and support use of equipment that meet standards		
<b>7. Religion, Traditions, Cultures, and Local Wisdom</b>	- Conforms to government policies	- <u>Low</u> impact on the contents of the plan, because the municipality already has the authority and responsibility in promoting traditions, cultures, and local wisdom
1) Encourages and supports continuation and preservation of traditions, cultures, and local wisdom	- <u>Low</u> level of government intervention through public policy	- <u>Low</u> intervention from central administration
<b>8. Transportation and Basic Public Utilities</b>	- Conforms to government policies	- <u>Low</u> or no impact on the contents of the plan, because the projects on transportation, roads, bridges, and basic public utilities are based on policies decided exclusively and freely by the
Etc.	- <u>Low</u> to almost none existence of government intervention through public policy	

**Table 5.6** (Continued)

Development Strategies/Development Contents	Conformance to Government Policies	Impacts of Intervention on the Annual Development Plan
<b>9. Development of Information Technology and Communication</b> 1) Develops information service and information technology system 3) Develops and improves communication system and information database of organizations and other users 4) Encourages public use of internet	- Conforms to government policies - <u>Low</u> level of government intervention through public policy	municipality and its communities, so there is no intervention by the central administration - <u>Low</u> impact on the contents of the plan, because the municipality would only set a budget for development and improvement in this particular area only for its organization or working units. Moreover, government units would only engage and coordinate with the municipality in certain areas.

#### 5.2.1.3 The Impact of Government Intervention on the Contents of Kalasin Municipality Development Plan Based on In-depth Interview

This section the researcher presents the results of analysis of the in-depth interviews as follows:

**Table 5.7** Analysis of the In-Depth Interviews

Interviewee Name/Position	Contents	Main points
Mr. Jaruwat Boonperm Mayor of Kalasin Municipality March 5, 2013	Various projects such as 1) set up of budget to implement or support Royal Development Projects, 2) set up of budget to address drug problems, 3) set up of budget to implement projects to protect important national institutions, 4) set up of budget to support	- Has impact on contents and implementation of the municipal development plan. However, impact is

**Table 5.7** (Continued)

Interviewee Name/Position	Contents	Main points
	<p>Thailand's Local Cooperative to Protect Green Area, 5) set up of budget to conduct city planning and improvements, 6) set up of budget to take on task of prevention and reduction of traffic incidents during important holidays, 7) set up of budget to support local community welfare funds, 8) set up of budget to support operations following Sufficient Economy philosophy</p> <p>The mayor believes that intervention is not a problem, because most of the projects are already undertaken by the municipality, and most of the efforts by the municipality has been only to publicize these projects and nothing more. In most of the projects, the central administration does not provide funding, but municipality must fund on its own. So, the way to address this is that the municipality would use the funds from projects in similar development area and combine the projects together. However, if the municipality could not find a similar project to pool together, it may use reserve funds, which is primarily for use in urgent matters and to address natural disaster. These reserve funds amount to a total of around 1 million Baht annually.</p> <p>The project that is hard to implement is the one to address drug problems, because the municipality does not have the authority to make arrest. There were cases when citizens alerted the authority but the police did not make arrest, making citizen lack further motivation to alert authority going forward.</p>	<p>limited, because most projects are already implemented by the municipality</p>



**Table 5.7** (Continued)

<b>Interviewee Name/Position</b>	<b>Contents</b>	<b>Main points</b>
Mr. Surot Saengsopaphan Member of the Municipal Assembly (District 2) January 23, 2013	Intervention from central administration does not have much impact, as the municipality often integrates projects by the provincial administration with other local projects.  Intervention from the government through various projects does not create much impact, because these projects are usually transient in nature and are short term projects, with the exception of the Elderly Welfare Project, which actually benefited the locality. However, the increase in the number of projects affects the existing routine work.	- Low impact from intervention by the government  - The Elderly Welfare Project has a long term impact, but already benefit the locality
Mr. Krisada Wiengwalai Member of the Municipal Assembly (District 2) January 23, 2013	Intervention by the government through various projects does not create much impact, because these projects are already included in the municipal development plan. On the plan, there would be KPI score for evaluation; this score would impact how the municipality is rewarded. Furthermore, it is viewed that conducting the project is the municipality's responsibility, and doing so would keep the KPI score in line with other local government organizations.	- Projects that are a part of government intervention through its policy are already included in the municipal development plan, which is already implemented on a yearly basis. Thus, there is not much impact
Mrs. Saowanee Rutnanikom Director of Public Health and Environment Division March 7, 2013	No difference. The summary from Mrs. Saowanee Rutnanikom, the Director of Public Health and Environment Division of the Kalasin Municipality concludes that setting budgets for implementing or supporting projects based on government policies during period between 2007 -2012 barely had impact on municipality. This is because even when government plan is not included, there may be other similar projects	-For projects that are considered the intervention through public policy, even when not included in the municipal development plan, there may be other conforming projects

**Table 5.7** (Continued)

Interviewee Name/Position	Contents	Main points
Mr. Jaruwat Boonperm Mayor of Kalasin Municipality March 5, 2013	<p>that conform to the plan.</p> <p>On various projects based on state policies, the informant believes that they would not have much impact on the municipality, because although they may not be included in the plan, there may be other conforming projects within the plan. For instance, the campaign to prevent illicit drugs are already included in the strategy on social welfare or the government policies on environment and green space, which is a development area that the mayor already emphasized. In terms of institution and creating conscience on important institution, the informant believes that if the government request for cooperation, it would not be considered an intervention, as this type of project does not require much funding and that the municipality has the central reserve funds that the mayor may use in case of emergency. So, if the government made an emergency request, the mayor could use the reserve funding to fund the tasks.</p>	<p>taken that follow similar plan</p> <p>- For projects on institution or conscience of the important institution of kingship, the government would ask for cooperation. Moreover, the municipality also possesses central reserve funds, which the mayor may use in case of emergency. So, overall, there is not much impact.</p>
	<p>On the policies directed by the central administration for implementation by the local governments, the mayor does not view this as intervention by the central administration. This is because some policies are already planned to be carried out by the municipality, specifically the policy to address the problem of illicit drugs, which the municipality is already implementing. Or, another case is the provincial policy of “Kalasin Good People Good Health,</p>	<p>- The government policies already conforms to the provincial and mayor’s policies, so it is not viewed as intervention by the central administration</p>

**Table 5.7** (Continued)

Interviewee Name/Position	Contents	Main points
Mr. Kosit Theerakul President of the Kalasin Municipal Assembly March 5, 2013	<p>and Good Income Project”. “Good People” suggests development on society; “Good Health” implies a development on environment; and “Good Income” highlights development on the economy-all of which are in line with policy of the Kalasin Municipality mayor of “developing the Kalasin Municipality to be livable, along with good governance”. From the above, “Livable” suggests development on society, environment, and economy.” Thus, these comply with the provincial policy.</p> <p>30 percent of the projects implemented by the local government organizations are controlled by the Ministry of Interior, even when some of these projects are initiated by the locals. Various projects by the Ministry of Interior do not address the basic needs of local citizens and are not related to building infrastructure such as roads, sewers, electricity, or other public needs. Many projects are considered “abstract” and do not really generate positive output to the citizens. One project that the municipality took on recently is an example; such intervention by the government leads to much greater burden by the municipality.</p>	<p>- Projects that are used as intervention are characterized by being only an abstract and do not meet the basic needs of local citizens like roads, electricity, water sewer, etc. This results in the municipality having greater work burden.</p>
Mr. Thanat Chitrdanont Member of the Municipal Assembly (District 2) January 23, 2013	<p>Intervention by the state through various projects is not appropriate, because each community has different needs. The state insists that its projects are carried out, without even asking for the needs of local citizens. Some projects carried out are not beneficial to communities. Essentially, such projects can either be taken or ignored and would still not</p>	<p>- Intervention through state policies (projects) affects the municipal budget, but municipality has a way to address this problem by integrating such projects to similar</p>

**Table 5.7** (Continued)

Interviewee Name/Position	Contents	Main points
	make a difference-only the budget are affected. One way the municipally take to address this problem is through integration of projects. The state projects that are similar to the existing projects or are consistent with the local development plan are integrated or combined. If an existing municipal project size is small, it may be combined with the state project to create a large project, involving other local organizations or state entities. In this case a large project is created, while using the same amount of funding.	projects already carried out.
Mr. Kosit Theerakul President of the Kalasin Municipal Assembly January 23, 2013	Believes the project to address drug problems is the hardest to carry out; it cannot be evaluated and could only be monitored and advised on information. For example, the White Village program, a program originated by public meeting, aims to give out a white flag to a village that is free of illicit drugs. However, in actual practice, villagers are afraid to disclose those who have drug problems and do not deserve a flag-as this can lead to local disputes. Such program still resulted in persistent drug problem, even when the village already receives a white flag. In sum, the program does not create much benefit, but it is still implemented on a yearly basis, as it is an important state policy.  Refusal to take on such project would affect the scoring of various competitions for the municipality when it is competing against the others. Generally, taking on projects to address illicit drug or the Royal Projects can positively influence the scoring-the more done the better.	- the project to address drug problems is the government policy that is the hardest to carry out and address; however, it is an important government policy, so it must be carried out every year on an on-going basis - the project to address drug problems and the royal projects are important for evaluation for scoring in competition among municipalities

**Table 5.7** (Continued)

<b>Interviewee Name/Position</b>	<b>Contents</b>	<b>Main points</b>
Mr. Thanat Chitrdanont Member of the Municipal Assembly (District 2) January 23, 2013	Believes the projects to address drug problems such as the White Village, that puts up white flag in front of participants' houses, do not provide clear success. Such project is merely a campaign advertisement and do not address the core problem. Some houses put up the flag even when they are not drug-free	
Mr. Jaruwat Boonperm Mayor of Kalasin Municipality March 5, 2013	<p>The municipal development plan originates from many sources, namely: 1) from government policies, 2) from provincial policies, 3) from the policies of local governing board, 4) from the needs of local citizens. Inputs from these four sources are combined together to create the development plan, with the Municipal Development Committee, acting as an advisor and the municipal assembly giving consent.</p> <p>Confirms that the majority of the contents come from the needs of local citizens, through the proposal they developed. During the drafting period spanning one month, there would be a weekly meeting (both official and unofficial). In all, the municipal development plan is a mixture with government policies, such that may affect the municipal budget, but not too much.</p>	<p>- The municipal development plan is a mixture with government policies, so it can be considered that there is not much impact on the contents. However, this type of intervention would have some impacts on the municipal budget, but not by much.</p>
Mr. Worawit Phu-huad Social Welfare Officer Acting Director of Social Welfare Division January 18, 2013	- Development plan would consider the plans at national and provincial level. Establishment of plans and projects are created to conform to plans at national and provincial level and consistent with government policies.	- Municipal development plan conforms to plans at national and provincial level and are consistent with state policies.

**Table 5.7** (Continued)

<b>Interviewee Name/Position</b>	<b>Contents</b>	<b>Main points</b>
Mr. Kosit Theerakul President of the Kalasin Municipal Assembly January 23, 2013	<p>Local government organizations usually emphasize infrastructure projects (water, lights, roads), because they relate to political popularity, with quantifiable accomplishment. On the other hand, projects on development of living standard are not as popular, politically, as the infrastructure projects.</p> <p>On choosing to conduct a project that is already included in the plan, the management may select based on urgency. For the projects not selected, they may be implemented in the next year and would not be crossed off completely. In addition, the management has a selection criteria based 1) whether it must be implemented and 2) whether it is a project on infrastructure. Projects on society and development of quality of life are usually directed to the municipal plan by the provincial administration.</p> <p>In some municipalities, even when the management wins many awards on their administrative work, sometimes the local citizens may not reelect them if there is no construction of roads, water sewers or other public infrastructures. Therefore, projects on basic infrastructures are usually prioritized. Sometimes projects from central administration take away budget from the municipality, leading the municipality to reduce funds allocated to projects. Nevertheless, this does not impose much impact overall.</p>	<p>- Projects on basic infrastructures such as on water, light, and roads are politically popular and affect election outcomes for the management.</p> <p>Therefore, the management of the municipality must pay great attention to infrastructure needs to win future elections. As for project from government policies, they are usually considered abstract and only created to take away funding from municipality.</p> <p>However, this has limited impact on the municipality.</p>
Master Sgt. First Class Somchai Somanusnanon	Municipality would prioritize the development of basic infrastructure before the	

**Table 5.7** (Continued)

<b>Interviewee Name/Position</b>	<b>Contents</b>	<b>Main points</b>
Head of Planning and Budget, Acting Director of Research and Planning Division March 7, 2013	development of living standard, because it impacts their voting results	
Mr. Jaruwat Boonperm Mayor of Kalasin Municipality March 5, 2013	<p>There is no guarantee that projects that are included in the three-year development plan would all be implemented. The process for formulating a plan must be flexible to change, depending on the factors of budget and government policies. If a government is running short of funding, this may impact implementation of municipal projects. In this case, the municipality may be forced to cut the programs that is not necessary and may have to wait for the next year to implement them.</p> <p>Since winning the election on January 9, 2011 and presiding over the role of mayor of Kalasin Municipality, it is found that not a single year has more than 90 percent of the plan gets implemented. This is due to lack of adequate funding from the government-like the revenues from collection and distribution by state administration and financial aid from the government-even when the municipality already has tried to raise funds through other means.</p> <p>Before taking the role as the mayor, the informant found that the municipality lacked adequate funding even to pay salaries for its personnel. Most affecting is the state policy to raise salary of college graduates to 15,000 Baht and vocational degrees holders to 9,000 Baht,</p>	<p>- The municipality is most affected by the state policy to raise salary of college graduates to 15,000 Baht and vocational degrees holders to 9,000 Baht due to the fact that the government did not allocate the funding for the municipality. So, the municipality would have financial burden to pay back the difference from the beginning of the year.</p> <p>- The municipality has the budget problem from lack of adequate funding from the central administration, such as the revenue</p>

**Table 5.7** (Continued)

<b>Interviewee Name/Position</b>	<b>Contents</b>	<b>Main points</b>
	<p>requiring the municipality to pay the difference from the beginning of fiscal year without funding from the state.</p> <p>If one had to choose to cut back on projects, the projects that cannot be reduced are on infrastructures. One would choose to reduce projects direct from mandate of the mayor, such as reducing budget for purchasing garbage trucks. On the other hands, the municipality absolutely cannot cut back on projects to fund various cultural activities like the Buddhist Lent and the Songkran Festival.</p> <p>The main problem in formulating a plan has to do with budget and funding. On the other hand, in term of human resource, municipal personnel are better at adapting to changes, and there has been establishment of workers' union and welfares.</p>	<p>from state collection and distribution and state financial aid. In a year that government lacks funding, the municipality can be greatly affected.</p>

### 1) Analysis from In-Depth Interviews

From the in-depth interviews, it can be concluded that there is limited impact of intervention on the contents and implementation of projects under the municipal development plan due to the following reasons:

(1) The municipal development plan created already conforms to the plans at national and provincial level, which are consistent with the government policies. These government projects are characterized by being abstract in nature and are carried out on an annual basis. They are 1) Royal Development Projects, 2) project to address drug problems, 3) projects to protect important national institutions, 4) projects to support Thailand's Local Cooperative to Protect Green Area, 5) project to conduct city planning and improvements, 6) projects to prevent and reduce traffic incidents during important holidays, 7) projects to support local



community welfare funds, and 8) projects to support operations following Sufficient Economy philosophy (Jaruwat Boonperm, March 5, 2013; Surot Saengsopaphan and Krisada Wiengwalai, January 23, 2013; Worawit Phu-huad, January 18, 2013).

(2) When the municipality is directed by the central administration to take on a project, based on government policies, and the project is not consistent with existing municipal plans, the municipality may approve the use of reserve funds should the project is deemed urgent. Examples of urgent government projects include the project to address natural disasters like flood and drought and the project to create conscience on the institution of kingship. The reserve funding for this type of projects is set at approximately 1 million Baht annually (Jaruwat Boonperm, March 5, 2013; Saowanee Rutnanikom, March 7, 2013).

(3) Development projects from government policies are abstract in nature, and their existence take some funding away from the municipality. However, the funding taken has been proportionally small, so overall there is limited impact on the municipal budget (Kosit Theerakul, March 5, 2013).

On the other hand, some aspects of intervention pose great impact on the contents and the implementation of municipal development plan. These are as follows:

(4) The project to address problem of illicit drugs is based on the government policies and impacts greatly on implementation of municipal development plan. This is because such project is the hardest to carry out and actually solve the problem. Meanwhile, the municipality must take on this project every year, as taking on the project positively affects the evaluation scores for competition among municipalities for excellent entity (Kosit Theerakul, January 23, 2013).

(5) The government policy that caused the most impact on municipality is the policy to raise salary of college graduates to 15,000 Baht and vocational degrees holders to 9,000 Baht. This policy was carried out without additional allocation of funds by the government, leading the municipality to have greater financial burden from having to pay increased wages and the difference going back to the beginning of the fiscal year (Jaruwat Boonperm, March 5, 2013).

(6) One of the working aspects of the municipality that is most affected is the revenues collected and distributed by the central administration

and the financial aid from the government. In a year that the government could not collect adequate revenues, due to problems affecting the national economy such as the flooding of 2011-2013, the government would not have sufficient funding for the municipalities or the distributions to would be delayed. In such case, there is much impact on the municipality (Jaruwat Boonperm, March 5, 2013).

(7) The aspects of the work carried out by municipal personnel or the budget are greatly affected, due to impact on the contents of the budget as well as from the projects following government policies. However, the personnel have been able to better adapt to changes, by establishing workers' union and various welfares programs (Jaruwat Boonperm, March 5, 2013).

(8) The projects that would not be impacted and would be implemented according to the municipal plan are infrastructure projects such as roads, bridges, water sewers, electricity, and the projects to fund cultural festivities like the Loy Kratong Festival, Buddhist Lent, and Song Kran Festival. These projects could not be reduced or cut back, because they could impact the voting results for the elected management officials. Thus, community leaderships have to put in great efforts for these programs to be elected again in the next term (Jaruwat Boonperm, March 5, 2013).

(9) The project to address illicit drugs, the Royal Development Projects, and the project to protect the institution of kingship, each has its importance and also affects the working of the municipality. This is due to the fact that these types of project impact the evaluation scoring for the competition for excellent municipality. The more of these projects carried out, the greater likelihood that the municipality could claim accomplishments. Thus, intervention from the central government through these types of projects has been actually beneficial to the municipality and considered to have positive impacts (Kosit Theerakul, January 23, 2013).

### 5.3 Objective 3: To Investigate the Patterns of Local Government Adaptation in Response to Government Intervention through Public Policy

The researcher would present the adaptation methods, taken by the Kalasin Municipality to address intervention through public policy, by exclusively focusing on the analysis from interviews of management leaderships and leaders of the Kalasin Municipal Assembly. These are figured below:

**Table 5.8** Exclusively Focusing on the Analysis from Interviews of Management  
Leaderships and Leaders of the Kalasin Municipal Assembly

Interviewee Name/Position	Contents	Main points
Mr. Jaruwat Boonperm Mayor of Kalasin Municipality May 8, 2014	<p>When the government orders the increase in salary and living expense, the municipality has to adapt so that the total wages would not exceed 40 percent of its annual budget. One way to adapt was using a ‘zig-zag’ method (also called Srithanonchai Way), by cutting some regular workers and hiring contracted workers. This way the total number of people working is the same (however, payments for contracted workers are not included in the calculation for total wages for officials or regular municipal employee. This way the total wages would not exceed the 40 percent limit).</p> <p>Examples of the cases which employees are reduced and rehired as contracted personnel is the workers in the public parks, whose jobs are to trim trees and mow the lawns. These employees were previously counted as municipal employees, but later the job was converted to contracted employment. Essentially, the</p>	<p>- The municipality adapts to the intervention through policy on finance (budget) by cutting some regular employees and converting them to contracted employments (payments under contracted employment would not be counted in the total wage for officials or its employee, making total wages not exceeded 40 percent of annual budget).</p>

**Table 5.8** (Continued)

Interviewee Name/Position	Contents	Main points
Mr. Kosit Theerakul President of the Kalasin Municipal Assembly	<p>municipality carved out only the public park workers and converted them to contracted employee. The same instance also applied to contracted workers to sweep and clean roads. This is how the municipality was able to keep its total wage below 40 percent limit.</p>	
	<p>Converting regular employees to contracted employment greatly affects the working morale, because the employees would no longer be eligible for welfare from municipal employment. They could neither receive bonuses nor getting welfare rebates from the municipality. In sum, these converted employees are only considered counterparty to a contracted agreement with the municipality. The deterioration in morale is a pressing issue for local government organizations. There had been efforts to encourage these employees to join the social security program to be eligible for medical rebates.</p>	
	<p>Although it has been known that there is not sufficient number of employees to match the responsibilities of the municipality, the municipality could not increase its employment number due to fear of large increase in wages and salaries. The total number of employees, including municipal teachers is 600, which is not enough. It has been at 600 for quite some time, even when there are more problems as time passes, the number still has not changed.</p>	
	<p>One way to adapt is that the Department of Local Administration would help encourage and ask for cooperation through its official</p>	<p>- The municipality adapts by including projects under the</p>

**Table 5.8** (Continued)

<b>Interviewee Name/Position</b>	<b>Contents</b>	<b>Main points</b>
May 8, 2014	<p>mandates to direct local government organizations to include in advance plans with regards to Royal Development Projects, project to address illicit drugs, or other government projects in the three-year municipal development plan and the annual budget. By doing so, the municipal is able to withdraw funds to take on projects. If there is no inclusion in the budget, then the municipal would not have the budget to take on projects urgently mandated by central administration or the Department of Local Administration.</p> <p>Local government organizations must set budgets for projects they expect the government would want them to take on in advance such as Royal Development Projects and projects to address illicit drugs.</p>	<p>government policies in its three-year plan and annual budget bill in advance, because these projects are carried out continuously on an annual basis, such as the Royal Development Projects and projects to address illicit drug.</p>
<p>Mrs. Ubonrat Pieakjumpa Member of the Municipal Assembly April 24, 2014</p>	<p>The way in which the municipality adapts to intervention from the government is that prior to formulating the three-year plan the municipality would include consideration of the government policies. Specifically, these considerations include the government urgent policies, the National Economic and Social Development Plan, and the provincial development plan. This is the way to create plans that are consistent with one another.</p>	<p>- The adaptation by the municipality was that prior to creating the three-year plan, the municipality would consider policies from the government and the province to be combined with the municipal plan, so they are consistent to one another.</p>
<p>Mrs. Saowanee Rutnanikom Director of Public Health and Environment Division</p>	<p>In the past two to three years (2008-2010), there was a financial problem in that the financial support was below target of 100 million Baht, which was set through the annual</p>	<p>- The Kalasin Municipality was able to adapt in terms of spending plan and</p>

**Table 5.8** (Continued)

<b>Interviewee Name/Position</b>	<b>Contents</b>	<b>Main points</b>
March 7, 2013	budget bill. This surely impacted the projects but the current municipal leadership was able to organize the spending so that the municipality was able to overcome the funding shortage. This shows that careful spending would not be risky.	ultimately was able to overcome financial problem. Careful spending would not be risky.

The results from analysis show that the Kalasin Municipality is able to adapt to intervention from the government by

1) Making financial change to cope with limited budget. The government did not allocate funds for increasing the wages of college graduates to 15,000 Baht and vocational degrees holders to 9,000 Baht, so the municipality cut back on spending by converting some employees to contracted employment.

2) Adapting to projects under the government policies. This is done by establishing or including projects under the government policies into the three-year municipal development plan and budget bill in advance, because such projects are expected to be carried out continuously on an annual basis, such as the Royal Development Projects and projects to address illicit drugs.

3) Adapting the municipality to state policies. This is achieved by taking in consideration the government, provincial, and municipal policies together so they are consistent with one another. The byproducts of this would be included in the three-year municipal development plan and included in the budget bill. Most of the projects from this adaptation method are abstract in nature. Meanwhile, infrastructure projects such as roads, bridges, water sewers, and electricity are concrete in nature and truly represent the needs of local citizen without intervention from the government.

## **CHAPTER 6**

### **RESULTS FROM ANALYSIS OF INTERVENTION ON LOCAL GOVERNMENT ORGANIZATION: CASE ON THE PARK NUM SAMUT PRAKARN MUNICIPALITY**

The researcher analyzes the intervention on local government organization through public policy in the case of Park Num Samut Prakarn Municipality based on three study objectives: 1) to study the channels and process of intervention on local government organizations through public policy, 2) to study the impacts of government intervention on the contents of municipal development plan and on plan's implementation, and 3) to investigate the patterns of local government adaptation in response to government intervention through public policy. The researcher employs two analysis methods, the document research and in-depth interview. For the first two objectives, the researcher focuses the analysis on the in-depth interview while using document research as a supplement to make the analysis more reliable and accurate. As for the third objective the analysis would only focus on the in-depth interview.

#### **6.1 Objective 1: To Study Intervention on Local Government Organizations through Public Policy**

The analysis finds that methods and process of intervention on local government organization through public policy are similar to the case of Kalasin Municipality (details on page 154-173). Thus, the researcher would proceed to the next objective.

## 6.2 Objective 2: To study the Impacts of Intervention on the Contents of the Local Government Organization Development Plan and on plan's Implementation (Case on the Samut Prakarn Municipality)

The researcher would first present the analysis through the use of document research, and then proceed with the analysis of the in-depth interview, to reinforce the completeness of the research. Results of the analysis are as follows:

### 6.2.1 Results from Documentary Research

1) The researcher presents the information of the income of the Samut Prakarn Municipality for fiscal year 2011 – 2013 below:

**Table 6.1** The Samut Prakarn Municipality for Fiscal Year 2011-2013

	Fiscal Year 2011 (Oct. 1, 2010- Sep. 30, 2011)	Fiscal Year 2012 (Oct. 1, 2011-Sep. 30, 2012)	Fiscal Year 2013 (Oct. 1, 2012- Sep. 30, 2013)
<b>Income</b>			
Taxes	9,619,444.80	7,626,073.25	8,039,963.25
Fees, charges, and licenses	2,405,225.00	2,574,068.60	4,277,262.25
Miscellaneous income	903,825.00	504,801.00	1,975,117.73
Income from funds and assets	498,182.21	1,507,122.68	290,239.38
Government Allocation	94,340,058.19	99,697,938.31	115,355,974.82
General government aid	22,462,660.00	21,876,115.00	39,387,861.00
Special government aid	31,486,471.00	22,019,238.67	23,717,499.00
<b>Total Income</b>	161,715,866.20	155,805,357.51	193,043,917.43

The information on the income above shows that the majority of municipal income came from government allocation (unit of the government would be responsible for collecting and distributing) and from government financial aid. These made up approximately 80 percent of all municipal income. Furthermore, the information highlights that the municipality was only able to collect 20 percent of total income on its own, suggesting a reasonable need for reform on municipal finance.



2) The researcher analyzes the information for three fiscal years, from 2011-2013. The analysis would only focus on the allocation of municipal budget to fulfil government policies. These would include both the projects the municipality has to carry out and projects carried out by requesting government entities but using the funds set up and allocated by the municipality. The results are Figureed in Table 6.2 as follows:

**Table 6.2** Budget for Fiscal Year 2011-2013

	Budget		
	FY 2011	FY 2012	FY 2013
<b>A. Type of support/working entity/project</b>			
1. Province- through Center For Drug Elimination			
1) Projects to address drug problems include projects to prevent, suppress, treat, education and gather information	500,000	500,000	500,000
2. Other state agencies			
1) Projects based on government policies such as projects to promote traditions, religions, and culture	550,000	550,000	550,000
3. Provincial Red Cross Association			
1) Projects based on government policies such as blood donation for hospital to save patient lives, projects to aid disaster victims	50,000	50,000	50,000
<b>Total A</b>	<b>1,100,000</b>	<b>1,100,000</b>	<b>1,100,000</b>
<b>B. Projects based on government policies carried out by the municipality</b>			
1) Projects to encourage and build conscience to show loyalty to the nation, religions, and the Monarchy	300,000	200,000	700,000
2) Projects to honor and celebrate the His Majesty the King's 84 <sup>th</sup> birthday	300,000	500,000	-
3) Project to glorify the His Majesty the King	150,000	150,000	-
4) Project for employment training and develop local economic	100,00	100,00	120,000
	-	50,000	50,000
5) Project to support and develop network for women organizations	-	-	50,000
6) The Phoo Prasarn Palung Phaen Din (25 Tasupparod) Project (local projects to fight against illicit drugs)	850,000	1,000,000	920,000
<b>Total B</b>			
<b>Total (A+B)</b>	<b>1,950,000</b>	<b>2,100,000</b>	<b>2,020,000</b>

### **6.2.2 Analysis Results from Document Research**

From the information on the fiscal budget for the year 2011-2013, totaling three years, the research finds two types of projects the government used to intervene through public policy. The first was the support projects, which are projects carried out by the government agencies, who originally request for inclusion of the projects in municipal plans. Example of this type of project are the project to address illicit drugs, using 500,000 Baht annually and the project to promote blood donation for hospital to save patients' lives and projects to aid disaster victims, using expense of 50,000 Baht annually. The second of type of project the government uses to intervene is the projects carried out by the government itself. Examples of these projects are projects to encourage and build conscience to show loyalty to the nation, religions, and the Monarchy, projects to honor and celebrate the His Majesty the King's 84<sup>th</sup> birthday, project to glorify the His Majesty the King, project for employment training and develop local economic, project to support and develop network for women organizations, and the Phoo Prasarn Palung Phaen Din Project, using expense of 850,000 Baht, 1,000,000 Baht, and 920,000 Baht, respectively. Altogether, the total expense used on projects to intervene through public policy was 1,950,000 Baht, 2,100,000 Baht, and 2,020,000 Baht, for the three fiscal years, respectively. Comparing these expenses with the municipal expense budget of 100 million Baht per year suggests that the municipality only spent approximately 2 percent of its budget on the projects the government used to intervene. This expense proportion is minimal considering the projects are for the stability of the nation and the welfare of the citizens. Nevertheless, this type of intervention conflicts with the theory that "the local government organization has the autonomy to administer its own affairs and the freedom in terms of finance and budget."

**Table 6.3** Analysis of the In-Depth Interviews

Interviewee Name/Position	Contents	Main points
Mr. Siri Chanhuaab Mayor of Park Num Samut Prakarn Municipality April 22, 2014	<p>Intervention on local governments, especially in the Park Num Municipality, is usually done through the official channel on finance/budget and unofficial channel.</p> <p>The official intervention through finance channel like during the Yingluck Shinawatra's government is done through the special government aid such as the Hand in Hand for Better City Project. Under this project, the local government role is only to advertise to the communities, and use these communities as approval stamp, by setting up public discussion. Subsequently, the local government would ask for the budget from the government, under the terms set by the government. Should the government approve of the project, then the financial aid would be distributed. Once approved, the project could be carried out. This process described conflicts with the principle of local governance in that local governments should be able to take on projects at their discretion. However, in this case the local organizations must get approval from the government. This is similar to during the Thaksin Shinawatra's government when the state was trying to combine the center of authority at the provincial government, which was contradictory to the principle of decentralization.</p> <p>Besides, to get the government financial support, the municipality has to get approval from central administration, when in fact the funds should have been transferred to the local without having to wait for approval. This way the</p>	<p><b>1)</b> There are two types of intervention on local organization: 1) intervention through financial aid and 2) unofficial intervention not related to finance. The unofficial intervention is usually a political intervention such as the government ordering municipality to round up citizens to participate in various government activities</p> <p><b>2)</b> There is government intervention through financial aid channel</p> <p><b>3)</b> There should not be political intervention such as enlisting of local citizens to participate in political gathering</p>

**Table 6.3** (Continued)

Interviewee Name/Position	Contents	Main points
Mr. Pakapong Pojchalongsil Municipal Clerk of Park Num Samut Prakarn Municipality April 22, 2014	<p>local organization could have the freedom to carry on its tasks under the principle of decentralization. The fact that the municipality has to get approval from the central administration highlights a significance example of intervention on local finance.</p>	
	<p>As for the unofficial channel for intervention, not related to finance, it is usually intervention on instance related to politics. For example, the government may direct the municipality to round up its citizens to participate in government functions or various activities. It is political in nature in that the government forces local organizations to participate on behalf of the government. Such political pressure has caused uneasiness among communities, because as the government mandates that local organizations to bring local citizens (to participate in government-host activities), they also set the required number of participants and order municipality to pay for all the expenses for the participants including transportation and food.</p>	
	<p>Actually, the projects that needed cooperation from local citizens must allow citizens to voluntarily participate if they agree with such projects or government policies. The government should not be forcing local citizens or their respective municipalities to enlist and round up local citizens to participate, because they may not want to participate and may be fed up with the government.</p>	<p>- Sometimes the government forces local communities to enlist citizens to participate in some government activities. At times, the local citizens do not want to participate in these activities and are fed up with the action by the government</p>

**Table 6.3** (Continued)

Interviewee Name/Position	Contents	Main points
Mr. Siri Chanhua Mayor of Park Num Samut Prakarn Municipality April 22, 2014	<p>Request for financial aid by the local government organizations used to conduct government policies, such as the project to address illicit drugs, is done on a yearly basis, and the local organizations must set, also on a yearly basis, the budget to support both the province's and district's Center for Drug Prevention and Suppression. The amount of funds allocated depends on the size of respective local government organizations. For example, the Park Num Municipality receives approximately 100,000 Baht of annual support. However, for the overall provincial area, the province and its municipalities received millions of Baht of financial aid to fund the drug prevention projects. As for other projects such as the Civilian Volunteer for Disaster Prevention Project to support tasks during various festivals, the municipality may ask for funding from time to time but the requests are not as frequent as the drug program. Moreover, the drug prevention activities such as sending victims to rehab must be done on an annual basis, using the municipal funding.</p> <p>An official mandate sent to the municipality directs that in case of government's emergency policies/other government policies, the local governments may set supplementary budget and carry out the tasks without violating any regulations. This could be done by stating in the budget bill which government policies the budget is for and how much in each year.</p>	- The municipality must set budget to support Center for Drug Prevention and Suppression of the province and the district on an annual basis, because it is an urgent government policy.

**Table 6.3** (Continued)

<b>Interviewee Name/Position</b>	<b>Contents</b>	<b>Main points</b>
Mr. Pakapong Pojchalongsil Municipal Clerk of Park Num Samut Prakarn Municipality April 22, 2014	<p>The Park Num Municipality has an annual income of approximately 100 million Baht, but this amount has not been adequate to carry out significant projects for citizens. Given the amount, only small projects are able to get implemented, while large projects are carried out in parts and conducted across a number of years. The municipality total expense for wages, salaries, and other payments to personnel stood at 35.9 percent of the total annual expense. Most of the municipality personnel are employee of the municipality and of local communities. Meanwhile the number of government official is small. A special characteristic of the Park Num Municipality is that it has been growing too fast. Originally, Park Num was a sub-district government organization before converting directly to a city municipality; it was never organized as a sub-district municipality (a level in between), so the municipality did not have much time to adapt.</p>	- The municipal annual income is around 100 million Baht, which is not enough to institute development projects for the citizens, because of the income are spent on wages and salaries, which make up annual expense proportion of 35 percent.
Mrs. Wasinee Meknitikul Director of the Finance Division Park Num Samut Prakarn Municipality April 200, 2014	<p>For the process of setting up budget, the Department of Local Administration should have defined the proportion of the budget the municipality should spend on drug prevention program and the proportion to spend on other government policies. This way the municipality would know the maximum it would be spending on satisfying state policies, and that it could plan the rest for pursuing its own policies, which is in line with the principle of the autonomy of local government organization.</p>	- The process of setting budget should define clearly the proportion the municipality must allocate to drug project and other government policies, so that it would know the maximum amount it should spend on satisfying government policies, and could plan the rest for its own projects.

In sum, the analysis based on in-depth interviews finds that there are two channels of intervention on the Park Num Samut Prakarn Municipality: 1) the intervention through financial budget and 2) the intervention through an unofficial channel, which could be called an intervention based on political situation. The projects through which intervention are passed through are not part of the three-year municipal development plan and are not included in the annual budget bill. To carry out these projects, the municipality has to get approval to use reserve fund or the provincial administration may exempt them from some financial regulations. An example of this is when the government directs the municipality to enlist its citizens to participate in government activities, without providing financial support; in this case the municipal has to bear all the expenses. Furthermore, the municipality views that the second method of intervention through unofficial channel does not create positive outcome, because most local communities are uncomfortable with local enlistment and are not willing to cooperate. However, ultimately local organizations are obliged to cooperate as lack of cooperation or responsiveness could lead to various forms of government hazing. Because the law is set up so that the provincial and district administrations have the power to control local organizations, the local organization may face hazing in the form of working difficulties or not getting adequate support when working with government entities (Siri Chanhua and Pakapong Pojchalongsil). Therefore, given the above the government should be discouraged from intervening through both channels, especially the unofficial or political channel.

### **6.3 Objective 3: To Investigate the Patterns of Local Government Adaptation in Response to Government Intervention through Public Policy (Case on the Samut Prakarn Municipality)**

For objective 3, the researcher would present only the analysis of the interviews with the leaderships of the Park Num Samut Prakarn Municipality as follows:

**Table 6.4** The Interviews with the Leaderships of The Park Num Samut Prakarn Municipality

Interviewee Name/Position	Contents	Main points
Mr. Siri Chanhuaab Mayor of Park Num Samut Prakarn Municipality April 22, 2014	The adaptation method for local government organizations has to comply with the laws, because local organizations are still under the administrative duty of the provincial administration. Lack of cooperation or responsiveness by the local governments may lead to various forms of hazing, which the Ministry of Interior are well versed in such various tactics.	- In each year the government would direct local organizations to take on tasks outside of their development plans. The local organizations must comply with these
Mr. Pakapong Pojchalongsil Municipal Clerk of Park Num Samut Prakarn Municipality April 22, 2014	In each year the government would direct local governments to carry out tasks outside their development plans, depending on the political situation. The official mandates mostly act as commands from the government, and if local organizations fail to respond they would be bombarded with calls from the provincial administration pressuring them to yield to the command. With provincial administration repeatedly urging for response, the local organizations would ultimately comply with the government. Had the locals not complied, they may be faced with difficulties and not getting the support when working with government agencies, largely due to the fact that the law stipulates that regional administration (province/district) has the power to oversee and direct local organizations. Even when the principle of decentralization allows local organizations to have autonomy to manage their own affairs as legal entities. Still the law specifies the roles of regional administration as the supervisor.	politically motivated tasks, such as enlisting their local citizens to join government activities. In these special situations, the municipality usually has to bear all the expenses, with the provincial administrative exempting certain financial regulations to facilitate special use of reserve funding, like when the municipality takes on the campaign against illicit drugs.



**Table 6.4** (Continued)

Interviewee Name/Position	Contents	Main points
	<p>When the government pressure local organizations to enlist citizens, the local organizations usually yield to the demand. As for the expense, the provincial administration would aid the local organizations by exempting certain financial regulations so that the locals could withdraw funds to take on requested tasks. Essentially, the provincial governor would send official mandate ordering to exempt some financial regulations so that funds could be withdrawn for special purpose. Through this exemption, usage of funds would not gain much attention from the Office of the Auditor General. So, other local government organizations have also tried to access funding through similar channel. In the case when local government organizations do not cooperate with provincial administration, such as the case when some sub-district administrative organizations fail to cooperate, it could lead to project proposals being rejected by the provincial administration. Also, there may be administrative punishment; some officials or local employees may be subjected to official investigation by a disciplinary committee (associates of the government's political faction would not be subjected to misconduct).</p> <p>In talking with many municipalities it is found that that many organizations are uncomfortable and do not always agree with what the government, ministries, offices, departments, or provincial governors direct them to do but there is not much they could do. For example, the drug prevention project is instituted in all the provinces, but these rarely provide concrete results. For the project, the local governments have</p>	

**Table 6.4** (Continued)

Interviewee Name/Position	Contents	Main points
	to pay approximately 100,000 Baht each, totaling tens of million Baht per province, without getting a solid program or realizing concrete outcomes. Furthermore, for the drug prevention project, municipalities have to bear the expense for sending victims to rehabs and seminars.	
Mrs. Wasinee Meknitikul Director of the Finance Division Park Num Samut Prakarn Municipality April 22, 2014	One way the municipality uses to adapt to intervention is to include the government projects, which must be regularly carried out, in the municipal development plan and the annual budget bill in advance. These government projects include the likes of the drug prevention project and project to honor and celebrate the His Majesty the King's 84 <sup>th</sup> birthday; all are derived from government policies.	- The drug prevention project and project to honor and celebrate the His Majesty the King's birthday are projects that must be carried out regularly on an annual basis. The municipality realizes that these are part of the government policies on the national security, so they act in advance of the command by the government, by including these projects in their development plans and annual budget bill

The analysis finds that the Park Num Samut Prakarn Municipality has a way to adapt to intervention from the government in that it would include the projects that must be carried out regularly on an annual basis due to being a part of government's national security policies, like the project to honor and celebrate the His Majesty the King's birthday and the drug prevention project, in its development plan and annual budget bill in advance, without waiting for the annual mandate from the government

(Wasinee Meknitikul, April 22, 2014). Moreover, even though the principle of decentralization allows local government organizations the autonomy to administer its own affairs as a legal entity, the law also defines the regional administrations, namely the province and the district, as the supervisor to direct and oversee local government organizations. In each year, the government would direct local organizations to take on tasks that are not part of their development plans; these mandates are politically motivated and that the local organizations must comply. For example, politicians from the government faction may pressure the municipality to enlist its citizens to participate in government activities. In this case, the municipality would be responsible for the expenses, with the help of the provincial administration in exempting some financial regulations so that reserve funds could be withdrawn as a special occasion. Overall, the municipality must adapt to intervention by responding favorably to the government, as failure to do so may lead to various forms of government hazing (Siri Chanhuaab, April 22, 2014).

In summary, the central administration intervenes on local government organizations through public policy in both administrative and financial aspects. This results in negative impact on the autonomy of the local government organizations based on the principles under the theory of decentralization and the principles on local governance. It is in this area that the central administration must improve going forward.

### **6.3.1 Comparison between the Kalasin Municipality and the Park Num Samut Prakarn Municipality on Intervention by the Government Through Public Policy**

The research presents the comparative analysis between the two municipalities in Table 6.5 below.

**Table 6.5** Comparison between the Kalasin Municipality and the Park Num Samut Prakarn Municipality on Intervention by the Government through Public Policy

Intervention and Adaptation	Impact		Advantages/Disadvantages	Summary
	Kalasin Municipality	Park Num Samut Prakarn Municipality		
1. Budget	Low impact. Approximately 1 percent or around 2 million Baht of total annual budgetary expense of 200 million Baht	Low impact. Amounting to around 2 million Baht or 1 percent of total annual budgetary expense (same as the Kalasin Municipality)	Disadvantages: Intervention conflicts with the theory of local governance that “local administration has the autonomy to formulate its own budget plan for local development”	1. Impact on budget: both municipalities view that this channel of intervention has low impact, taking up only 1 percent of annual budget
2. Finance	Great extent of intervention. This is because the government centralizes the authority to collect and distribute taxes in the form of financial aid to local governments. The government employs its agency to collect and distribute taxes, providing up to 80 percent of total municipality income. On the other hand, the municipality is only able to collect 20 percent of the total income on its own	Great extent of intervention (With similar reasoning to the Kalasin Municipality)	Advantages of intervention on local finance are 1) speed of execution and 2) fairness of distribution of financial aid to all local governments based on their population size Disadvantages are that intervention conflicts with the theory of local governance that “local government organizations have the autonomy to collect taxes and source income on their own”	2. Impact on finance: both municipalities view that “there is great impact, because the government is responsible for collection and distribution of funds up to 80 percent to local governments, while the locals are only able to come up with 20 percent of total income
3. Management and Administration of Tasks under the Local Development Plan	1) Great extent of intervention. Intervention comes through official mandates from the government	1) Great extent of intervention. Similar reasoning to the Kalasin Municipality. 2) Great extent of	Disadvantages: local government organizations lack the autonomy to administer their own affairs based on the principle that “local government	3. Impact on the administration: both municipalities view that there is great impact from the official mandates

**Table 6.5** (Continued)

Intervention and Adaptation	Impact		Advantages/Disadvantages	Summary
	Kalasin Municipality	Park Num Samut Prakarn Municipality		
	through the Ministry of Interior and the Department of Local Administration, directing local organizations to implement projects based on government policies. Furthermore, there are other regional government agencies sending the municipality requests for financial support	intervention from unofficial intervention that is politically motivated such as the request for municipality to enlist its citizens to participate in political gathering	organizations have the authority to manage its own affairs based on the power bestowed by the law".	from the Ministry of Interior and the Department of Local Administration, commanding them to institute projects based on government policies. They also feel great impact from the unofficial channel of intervention that is politically motivated.
4. Adaptation Method to Intervention	2) <u>Able to adapt well in terms of management of affairs</u> from government intervention through public policy-affecting the local plans. This is due to the fact that the Kalasin Municipality has had extensive experience with intervention (for several tens of years), because it is a municipality that has been in existence for a long time 3) <u>Not able to adapt well in terms of</u>	3) Able to adapt well in terms of management of affairs (with similar reasoning to the Kalasin Municipality) even though the municipality has just reorganized its governing status from being sub-district administrative organization to city municipality for less than ten years. 4) Not able to adapt well in terms of emotion and attitude from government intervention (with similar reasoning to	Disadvantage: Leads local government organizations to have poor attitude towards government intervention, because it conflicts with the theory that "local government organizations have the authority to manage its own affairs based on the power bestowed by the law".	4. Adaptation to government intervention: both municipalities are able to adapt well in term of management of affairs under the municipal development plans, but are not able to adapt well in term of emotion and attitude. They have had poor attitude towards government intervention through public policy, specifically the Park Num Municipality has a poor attitude towards politically motivated intervention.

Table 6.5 (Continued)

Intervention and Adaptation	Impact		Advantages/Disadvantages	Summary
	Kalasin Municipality	Park Num Samut Prakarn Municipality		
	emotion and attitude from government intervention, leading to misappropriation of municipal budget, instead of getting the sum to develop public services to satisfy local needs. While the amount misappropriated was only around 1 percent of total budget (or 2 million Baht), in the eyes of the citizens this presents a substantial amount.	the Kalasin Municipality). 1) Not able to adapt well in terms of emotion and attitude from unofficial government intervention based on politics such as from request to enlist citizens to participate in political gathering, as a result of societal and political disputes.		
5. Other Municipal Capabilities	1) <u>On economic:</u> In general, the economic condition is worse than that of the Park Num Municipality, with extremely low individual annual income. Moreover, most of the populations are farmers, making it slow for the municipality to collect taxes and extract income. Nevertheless, the municipality is working hard to generate income to meet its target.	1) On economic: Economic condition is better than the Kalasin Municipality as the population have greater annual average income, making it faster for the municipality to collect taxes and easier to meet revenue objective. 2) On society: Generally, the Park Num area is city-based, with high population density and share borders with Bangkok. There are many unregistered residence in the area,	<u>Kalasin Municipality</u> 1) Advantages: the Kalasin Municipality is gradually developing in all aspects including economic, society, and politics 2) Disadvantages: 1) there is intervention on its budget by the central administration through public policy; 2) the municipal has small budget but large physical area of jurisdiction, leading to slow development and provision of public services. Furthermore, it does not receive support from provincial administration	<u>In comparison</u> , the two municipalities have diverging economic, social, and political conditions. The Park Num Municipality is in the close vicinity of Bangkok and has a greater chance to develop local areas or provide faster and better public services than can the Kalasin Municipality.

**Table 6.5** (Continued)

Intervention and Adaptation	Impact		Advantages/Disadvantages	Summary
	Kalasin Municipality	Park Num Samut Prakarn Municipality		
	<p>2) On society: Generally, the area in Kalasin Municipality is rural based, with low population density. Furthermore, there is low average population education. The citizens are able to generate income just enough to meet their needs. Overall, it is considered simplistic and frugal society.</p> <p>3) On politics: Has little political movement, with low intensity and violence. There is little evidence of political conflict, and there is no unofficial intervention on politics like in the Park Num Samut Prakarn Municipality.</p> <p>Based on 1, 2, and 3 the Kalasin Municipality is considered to have moderate capability</p>	<p>with higher average education level than in the Kalasin Municipality. Park Num Municipality is an economically competitive society.</p> <p>3) On politics: Since the municipality is in close vicinity of Bangkok, there have been occasions of intense political movement and high political conflicts.</p> <p>Point 1 and 2 are the capabilities that support and foster greater development of the Park Num Municipality than in the Kalasin Municipality. Most importantly the Park Num Municipality receives tens of millions Baht in budgetary support from the Samut Prakarn province administration each year, and the provincial administration has an annual budget of over 2 billion Baht.</p>	<p>3) organization, because size of Kalasin province is extremely large. Park Num Municipality Advantages: the municipality is fast growing, as can be seen from its upgrade from sub-district administrative organization to city municipality by bypassing the status of sub-district municipality (a level in between). Moreover, the municipality usually receives financial supports for developing infrastructures such as roads and bridges from the provincial administration, which has an annual budget of 2 billion Baht and does not have as large the territorial area as has the Kalasin province.</p> <p>4) Disadvantages: there is intervention on the expense budget through government policies; 2) there is high level of unofficial intervention through political means such as requesting the municipality to enlist citizens to participate in political gathering both for and against the government.</p>	

## **CHAPTER 7**

### **CONCLUSION AND RECOMMENDATIONS**

The research on “Intervention on Local Government Organization through Public Policy: Case Study of Park Num Samut Prakarn Municipality and Kalasin Municipality” has the following objectives: 1) to study the nature of intervention on local government organization through public policy; 2) to study the impacts of intervention on the contents of development plan and on plan’s implementation; 3) to investigate the patterns of local government adaptation in response to central government intervention; and 4) to study local government organizations’ problems and obstacles, and identify recommendations that may be useful to management of municipalities’ affairs.

The research is conducted based on the theoretical frameworks of centralization of power, decentralization of power, local governance, New Public Management approach, and by examining case studies of interventions on local government organizations in England, Japan, South Africa and France, as well as related researches.

This research prioritizes the qualitative method. Important sources include:

1) Document research, which can be categorized into two types. 1) Primary sources, such as conceptual and theoretical writings on the decentralization of power to local government organizations based on domestic and foreign experience; documents, memorandums and conference minutes, such as annual municipal budget bill on expense for the fiscal years of 2011 to 2013, municipal development plan and execution plan for the fiscal year of 2011 to 2013; announcements or mandates from the Ministry of Interior; memos and executive order from Provincial Office for Local Administration (Group of Local Promotion and Development); and executive mandates from the Department of Local Administration of the Ministry of Interior. 2) Secondary sources, such as news, interviews, analyses, and documents from academic seminars as well as other related research documents.



2) In-depth interviews from key informants, such as mayors, presidents of the municipality assembly, municipal clerks, deputy municipal clerks, directors of the finance division, and directors of research and policy planning division.

The units of analysis in this research include:

1) Park Num Samut Prakarn Municipality, which is located in Bang Mueang Sub-district, Samut Prakarn District, Samut Prakarn Province. It is approximately three kilometers away from the Samut Prakarn District Office. Park Num Municipality has recently been elevated from Bang Mueang Sub-district organization to the Park Num Samut Prakarn Municipality. The researcher believes that Park Num Samut Prakarn Municipality would represent city municipalities, town municipalities, and sub-district municipalities near Bangkok's perimeter.

Key informants include the Mayor of Park Num Samut Prakarn Municipality (Mr. Siri Chanhuab), the Municipal Clerk of Park Num Samut Prakarn Municipality (Mr. Pakapong Pojchalongsil), the Director of the Finance Division (Mrs. Wasinee Meknitikul), and the Director of Research and Policy Planning Division (Mrs. Wansa Jane-ariwongse).

2) Kalasin Municipality, which was established by the Royal Decree of Kalasin Municipality, Maha Sarakham Province, B. E. 2480 (1937) on the March 14, 1937 to be called "Kalasin Municipality, Maha Sarakham Province." Previously 4.04 square kilometers, the municipality had requested to expand to 16.96 square kilometers in 1981, which was granted by a royal decree on September 27, 1982. Currently, the Kalasin Municipality can be separated into three districts with 18 municipal assembly members. The researcher views that the Kalasin Municipality would represent city municipalities, town municipalities, and sub-district municipalities in up-country regions.

The important informants include the Mayor of Kalasin Municipality (Mr. Jaruwat Boonperm), President of Municipal Assembly (Mr. Kosit Theerakul), Municipal Clerk of Kalasin Municipality (Mr. Chalong Karnlert), Acting Municipal Clerk of Kalasin Municipality/Deputy Municipal Clerk (Mrs. Ubonrat Pieakjumpa), Director of Finance Division (Mrs. Ubonrat Pieakjumpa), Director of Research and Planning Division (Mr. Apiwat Pakitung), and the Head of Planning and Budgeting Department (Master Sergeant First Class Somchai Somanusnanon).

The researcher spent 24 months from October 2012 to September 2014 to acquire qualitative research materials through interviews, document research, and related researches. In terms of research methodology for the in-depth interviews, the researcher utilizes open-ended questions.

## **7.1 Research Conclusion**

The outcome of the research can be separated into three main points in accordance to the following research objectives: 1) to examine the nature of intervention on local government organization through public policy; 2) to study the impacts of intervention on the contents of development plans and plan's implementation; and 3) to investigate the patterns of local government adaptation in response to central government intervention.

### **7.1.1 Intervention on Local Government Organization through Public Policy**

The study on the procedure and process of interventions on local government organization through public policy reveals important implications regarding the procedure and process of interventions, which can be summarized as follows:

Intervention on local government organization in Thailand can be classified into three types: 1) legislative intervention; 2) administrative intervention; and 3) judicial intervention.

In the case of legislative intervention, legislators issue laws such as constitutional laws and related acts. For instance, the Municipal Act, B. E. 2496 is an important legal document which clearly establishes the appropriate process and procedure for intervention on local government organization in the form of municipality, by giving authority to provincial governors to oversee city municipality and town municipality as well as empowering the chief district officer to oversee sub-district municipality.

The Regulation on Receiving, Disbursing, Depositing, Maintaining, and Auditing of Funds for Local Government Organization, B.E. 2541, issued by the Ministry of Interior, establishes the appropriate process and procedure for intervention

on local government organizations by delegating authority to the Permanent Secretary of the Ministry of Interior, provincial governors, chief district officers, and deputy district officers as the head of sub-district. The regulation gives the power to interpret and to resolve issues to the permanent secretary of the Ministry of Interior; the power to conduct regional inspection to provincial governors, chief district officers, and deputy district officers and auditor general; and the power to approve annual budget expense of local government organizations to provincial governors and chief district officers.

The official mandates of the Ministry of Interior is considered a form of intervention on local government organizations through public policy, in which case the Ministry of Interior implements public policy under the direction of the Prime Minister. The Minister of Interior or the Permanent Secretary of the Ministry of Interior or the Director-General of the Department of Local Administration will issue the official mandate from to regional administrative organizations, through provincial governors. Then, provincial governors would issue an order by referencing the official mandate of the Ministry of Interior to be issued to local government organizations.

From 2011 to 2013 there have been multiple official mandates from the Ministry of Interior. This indicates that the procedure and process of intervention on local government organization through public policy, by the Ministry of Interior, plays an important role in regulating and overseeing every form of local government organizations. The Ministry of Interior implements public policy by issuing official mandates which can be regarded as a form of intervention on local government organization through public policy, among many other forms of interventions. The researcher would like to present the analysis of such intervention in the form of official mandates.

The outcome of this research indicates that the municipality often receives mandates from the Ministry of Interior to operate in accordance to government's policies even though such policies are not included in municipal development plan, which should have originated from the needs of local citizens. The researcher discovers that local government organizations often receive order to operate in accordance to policies, which are mandated in a top-down manner. Examples include setting budget for: 1) policies on supporting Royal Development Projects; 2) policies

on drug prevention and suppression; 3) projects to preserve important national institutions; 4) policies promoting Thailand's Local Cooperative to Protect Green Area; 5) policies for city planning; 6) policies to prevent and reduce traffic accidents during holidays; 7) policies supporting community welfare funds; and 8) policies on supporting projects following Sufficient Economy philosophy. All of these suggest misappropriation of resources and create a direct impact on implementation of municipal development plan.

### **7.1.2 Impacts of Government Intervention on the Contents of Local Government Organizations' Development Plans and Plan's Implementation**

Interventions on the contents of development plans and plan's implementation in Kalasin Municipality and Park Num Samut Prakarn Municipality have important implications.

In the case of strategic planning for the three-year development plan of Kalasin Municipality, the municipality attempts to develop strategies that are in line with public policy, provincial development plan, local development plan, and community development plan in the following ways:

1) Attempts to adjust municipal development plan to be consistent with government policies and provincial development plan, which are abstract in nature and are implemented annually. These policies include: 1) policies on supporting Royal Development Projects; 2) policies on drug prevention and suppression; 3) projects to preserve important national institutions; 4) policies promoting Thailand's Local Cooperative to Protect Green Area; 5) policies for city planning; 6) policies to prevent and reduce traffic accidents during holidays; 7) policies supporting community welfare funds; and 8) policies on supporting projects following Sufficient Economy philosophy.

2) In the case that projects are mandated by the central government and are inconsistent with the municipal development plan, the municipality would approve funding from the reserve funds in cases of emergency, such as the project to address natural disasters like flood and drought and the project to create conscience on the institution of monarchy. This is a necessary step to solve urgent issues; these reserve funds is set at approximately 1 million Baht annually.

3) The project to address problem of illicit drugs is part of the public policy and tremendously impacts the execution of municipal development plan, because it is the most challenging project, given the difficulty of the issue. The municipality must consistently comply with such policies on an annual basis, because it affects the performance and evaluation of the municipality contest.

4) The most drastic government policy to affect the municipality is the policy to increase college graduate salary to 15,000 Baht and vocational degree holder salary to 9,000 Baht without funding from the state, so the municipality has a burden to back pay from the beginning of the fiscal year onwards.

5) Another factor that affects the contents and execution of municipal development plan is the revenue share from government agencies or government subsidies to the municipality. When the central government is unable to obtain sufficient revenue due to problems of national economy such as the floods in 2011 and 2012, the financial aid to the municipality will be delayed. However, while there is adverse impact on plan's implementation, the municipality would make sure that public infrastructure projects would continue. These include building of roads, bridges, drainage, water supply, and electricity, and projects to fund cultural festivities like the Loy Kratong Festival, Buddhist Lent, and Song Kran Festival. Such projects cannot easily be dismissed because they directly impact the voting results of local administrators, elected by the residence. Thus, local leaders pay much attention to these types of projects in order to be reelected.

### **7.1.3 Patterns of Local Government Organization Adaptation in Response to Central Government Intervention**

After examining patterns of adaptation of the municipality to central government intervention from interviews of local administrators and municipal assembly leaders of Kalasin Municipality, it is evident that the Kalasin Municipality has the following methods of adapting to government interventions: 1) adjustment of budget due to budget limitations and the lack of central government funding for increasing the salary of those with a Bachelor's degree to receive 15,000 Baht monthly salary and vocational degree holder salary to receive 9,000 Baht, done through cutting the budget and changing the status of some employees to contractor

status; 2) policy alignment with government policy by arranging and including such policy in advance in the three-year municipal development plan and annual municipal budget expense because such projects have to be carried out annually, such as the Royal Development Projects and projects to address illicit drug; and 3) Municipal adjustment by taking government policy, provincial policy, and municipal policy into consideration in order to make a coherent policy to be written into the three-year municipal development plan and annual municipal budget expense. While most projects are abstract in nature, public infrastructure projects such as roads, bridges, drainage, water supply, and electricity are concrete projects based on public demand and are not subjected to government intervention.

On the other hand, the Park Num Samut Prakarn Municipality adapts to central government intervention in the case of annual mandatory projects such as projects to honor and celebrate the His Majesty the King's birthday and illicit drugs prevention projects. The municipality makes adjustment without waiting for official mandates by specifying such projects in the municipality development project and annual municipal budget expense in advance.

Despite the fact that the principle of decentralization of power to local authorities gives autonomy to local government organizations, the law regulates that the provincial and district administrators maintain authority over local administrative organizations within the region. Each year, the central government orders local administrators to proceed with projects which are not written in the plan. Such orders depend on the political climate and local administrative organizations must abide by such orders. For instance, central government politicians orders the municipality to enlist citizens to participate in campaign events, in which case the municipality has to pay for all the expenses while the province would exempt some financial regulations to permit the utilization of reserve funding as a special case. The municipality must adapt by responding to the central of government, otherwise it will face adverse consequences in various forms.

## 7.2 Discussions

This research is conducted with the three following objectives: 1) to study the nature of intervention on local government organization through public policy; 2) to study the impacts of intervention on the contents of development plan and on plan's implementation; 3) to investigate the patterns of local government adaptation in response to central government intervention. In the following section, the researcher would like to discuss the findings of a case study on Kalasin Municipality and Park Num Samut Prakarn Municipality.

From exploring this topic, the researcher is able to distinguish patterns of interventions on local government organizations through public policy into four forms: 1) legislative intervention; 2) administrative intervention; 3) management intervention; and 4) fiscal intervention. The researcher would elaborate on these four types of interventions below.

First, legislative intervention refers to the procedure by which the government transforms important laws into government policies and utilizes such policies to amend laws and regulations in order to justify government policies and provide necessary legal backings for implementations. Thus, the researcher perceives that intervention on local government organizations through public policy can be considered as a form of legislative intervention.

Second, administrative intervention takes place when the law allows administrative authority to central and regional government agencies such as the Ministry of Interior, the Department of Local Administration, province and district administrations. It appears that there are multiple legal documents granting such powers such as State Administration Act, B.E. 2534, and Municipality Act, B.E. 2496. The State Administration Act prescribes that "provincial governors and chief district officers have the responsibility to oversee the administration of local government in accordance to the law." This can be regarded as administrative intervention on local government organization through public policy. As such, administrative intervention measures are utilized in order to bring policies to fruition.

Third, management intervention occurs when the central government orders central and regional government agencies to intervene in the management of local

government organization in order to guarantee the compliance of government policies, resulting in local government organization lacking the freedom to manage its own affairs. Such practice contradicts the principle of local governance. The research reveals that central government agencies implement public policies through passing of official mandates issued by the Ministry of Interior and the Department of Local Administration to provincial governors and chief district officers, respectively. These official mandates are passed on to local administrative organizations in order to include government policies into the three-year development plan and annual municipal budget expense. Once the municipal assembly approves the budget proposal and presents involved authorities to provincial governors and chief district officers in each case, the budget proposal becomes effective.

The research findings suggest that there is high degree of management intervention through use of official mandates by central and regional government. Thus, management intervention should not occur and should remain under the discretion of government policies, which grant autonomy to local administrations, in accordance to the principle of local governance that “local government organizations should have the liberty to manage its own region.”

Fourth, fiscal intervention defines an instance in which the government issues fiscal policies by relying on current regulations or amending regulations in order to cater to government fiscal policies. The level of fiscal intervention on local government organization through public policy appears to be extensive. This can be observed in the following examples: 1) Project to provide financial aid to the municipality, and 2) the revenue share from government agencies or government subsidies to the municipality. Since local administrative organizations receive approximately 80 percent of its annual budget from the central government financial aid and earning shares from central and regional government agencies, the remaining 20 percent of the annual budget comes from local government earnings.

The researcher views that the central government should restructure its fiscal policies at the local level by adjusting certain regulations to increase the capacity of local government organizations to be able to collect higher revenues on their own, while the government only provides financial aid in the form of subsidy.

Regarding the second objective, the research outcomes suggest that the four forms of government intervention on local government organizations through public



policy do not significantly impact the contents of the municipal development plan, as the municipality uses only one percent of its budget to satisfy such intervention. However, such forms of intervention drastically affect the implementation of municipal development plan due to the impacts of fiscal and management interventions. It can be considered that these interventions affect not only local perception but also local mentality that government intervention through public policy sharply contradicts the principle of local governance which states, “local administrative organizations should have the liberty to manage its own region.”

Regarding the third objective, in terms of local adaptations to government intervention through public policy, local government organizations are able to make adjustments given that the administrative intervention is sanctioned by the regulation which grants provincial governors and chief district officers the power to command and oversee local administration. Local administrative organizations must effectively adjust to central government intervention; otherwise they risk being accused of defying public policies. Such actions may bring adverse consequences to the local organizations.

In the perspective of the researcher, the outcomes of this study correlate with other academic findings. These findings are discussed below:

- 1) The findings from Thanet Charoenmuang (2001, pp. 122-126) which concluded that “there is too much intervention on municipalities by the central administration, especially through the legislative angle. This results in municipalities having limited scope of authority but too many responsibilities, without adequate funding. Generally, central government intervenes through three policy channels: on administration, on finance, and on management. And, it is from such intervention that leads to the problem of ambiguous relationship between state and local governments, resulting in operational gaps. ”

- 2) The outcomes of the study titled, “The Relationship between the State and Local Government Organization: Case Study on the Control through Use of Official Mandate on Local Sub-district Administration in Mae Onn Area, Chiang Mai,” indicated that the Department of Local Administration of the Ministry of Interior is a central government apparatus that issues official mandates to sub-district administrative organizations through the provincial governor and the chief district

officer who pass such official mandates to the province and the district, and subsequently, to be directed to the sub-district administrative organization. This practice poses an obstacle to the management of sub-district administrative organizations and contradicts the principle of decentralization of power to local authority.

3) The research of the National Institute of Development Administration (2003), titled “Jurisdiction and Relationship among Local Government Organizations, Central Government, Regional Administration, and Interrelations among Local Government Organizations,” intended to clarify the jurisdiction of central, regional, and local government organizations to avoid overlaps and provide direction for future responsibility transfers. The study concluded that “relationship among central government, regional administrative organizations, and local administrative organization should be restructured to enhance integration and efficiency at the central, provincial, and local levels. Most importantly, local administrative organizations are national entities that cannot be separated from the state and still rely on the state’s budget. Hence, local administrative organizations must fulfill their responsibilities to the central government by carrying out the mandatory tasks of local administrative organizations. The state is obliged to oversee local administrative organization in accordance with the Constitution.” Although this study does not explicitly mention intervention on local government organizations, the researcher believes such intervention to be present. The degree of intervention depends on the distribution of responsibilities and whether or not the relationship among central, regional, and local administrative organizations permits such opportunity for intervention.

## **7.3 Recommendations**

From conducting this research, the researcher is able to compile two types of recommendations: 1) policy implications and 2) recommendations for future research. The details are as follows.

### **7.3.1 Policy Implications**

The research leads to the following policy implications:

1) Laws pertaining to local government organizations should be amended to exclude phrases or clauses that contradict the Constitution, which is the highest law of the nation. For instance, the Constitution uses the phrase “regulate and supervise local administrative organizations” (Section 282 of the Constitution of the Kingdom of Thailand, B. E. 2550). However, multiple acts still use the phrase “control and supervise local administration” (Section 57(7) and Section 65(4) in the State Administration Organization Act, B. E. 2534). Hence, the phrase “control and supervise” should be replaced with “regulate and supervise.” Moreover, other laws that contradict the principle of decentralization of power and local governance should be amended accordingly.

2) The central government should minimize intervention on local administrative organizations, especially intervention through official mandates that calls for cooperation on policies or projects that are not part of local government’s responsibilities in accordance to the law. Such intervention may contradict the intent of local governance which allows the local citizens to take part in administration as a juristic person within the local administration instead of the regional administration.

3) For projects or policies that the government deems to be appropriate or require cooperation from local government organizations due to their close ties with the community, the central government should allocate sufficient financial aid to local government organizations to execute such projects, instead of assigning such projects without providing an adequate budget.

4) The regulatory framework for power distribution to local levels should be amended, especially in terms of their monetary and fiscal responsibilities. Local government organization should earn higher revenue from local tax collection in order to lessen their reliance on government subsidy and revenue share from government agencies. Currently, local government organizations can only obtain 20 percent of their earnings on their own. The remaining 80 percent comes from the central government and revenue share from government agencies.

5) In order to ease the problem of corruption, all forms of local government organizations should establish a committee called the “Community Volunteer for Inspection of Administration” in the same manner as did the Kalasin Municipality in order to provide further inspection beyond other existing committees

established under current laws. This committee would serve to provide a mechanism or channels for the public to participate in the inspection of local administration by issuing order for administrators to publish municipal development plan progress report every six months in order to keep the public informed of its progress.

6) The central government budget allocation to local administrative organizations should reach at least 35 percent in accordance to the law, in order to provide sufficient funds to local administrations to proceed with the municipal development plan. Moreover, the law should enable local government organizations to participate in a larger scope of tax collection in order to fund projects under the municipal development plan.

7) Attention should be placed on publicity in order to provide information on the three following points: 1) theoretical concepts and insights on distribution of power to local administrative organizations; 2) intervention on local government organizations by the executive, legislative, and judicial branch of the government; and 3) policies, laws, and regulations pertaining to intervention on local administrative organizations in the form of seminars, training, books, textbooks, documents, radio and television programs. The target group should be local administrators, members of the municipal assembly, central, regional, and local government officers, as well as the residents under the governance of local administrative organization.

### **7.3.2 Recommendations for Further Research**

Important recommendations for further research are addressed below:

1) In order to foster knowledge of intervention on local government organizations, there should be a study of intervention on local government organizations through legislative and judicial channels.

2) There should be further studies on budget allocation in accordance to public policy in annual budget expense of local administrative organizations nationwide. Examples of relevant projects include: 1) setting the budget to support royal projects; 2) setting the budget to solve illicit drug issues; 3) setting the budget for projects that protect national institutions; 4) setting the budget to promote Thailand's Local Cooperative to Protect Green Area; and 5) setting the budget for

supporting projects following Sufficient Economy philosophy. The overall national budget expense should be determined. Moreover, the overall response of local administrative organizations should be gauged in order to evaluate policy outcomes and develop the capacity and efficiency of policy execution.

3) This study concentrates on the factors involved in the management of municipal development plan, using Kalasin Municipality of the Kalasin Province as the case study. Further studies should include other types of local government organizations such as provincial administrative organizations, sub-district administrative organizations, and Bangkok as well as a comparative analysis of experience from Northeastern region and the other regions such as the South, North, and Central.

4) Further studies should be conducted on the development pattern and the dynamic of intervention through public policy evident in local projects from 2007 to 2017 in order to illustrate the pattern of misappropriation caused by intervention as well as the adaptation of local administrative organizations as a whole.

5) There should be a study to critically evaluate the result of additional public policy projects assigned by the central government to local administrative organizations. In particular, attention should be placed on setting the budget for drug prevention program which was previously proven unsuccessful, because local administrative organizations do not have the authority to arrest or punish offenders. In addition, the mayor or members of the municipal assembly who come from elections tend to avoid pursuing such policies that may affect their electoral base and their popularity. They often choose to endorse temporary anti-drug campaigns, which lack continuity and unnecessarily waste financial resources.

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## **APPENDIX**

## **APPENDIX A**

### **In-depth Interview Questions**

The research titled “Intervention on Local Government Organization through Public Policy: Case Study of Park Num Samut Prakarm Municipality and Kalasin Municipality” incorporates information from in-depth interview with key informants. The format of the in-depth interview is open-ended questions, consisting of two parts.

#### **Part 1 – The Informants’ Basic Information**

- 1) First – Last Name (if received consent for disclosure or may be confidential due to sensitivity of the information)
- 2) Position/Representative organization
- 3) Duration of position held
- 4) Age
- 5) Highest educational achievement
- 6) Affiliated municipality
- 7) Date of interview

#### **Part 2 – The In-Depth Questions Aimed at Fulfilling Research Objectives.**

This part is divided into three topics

**Topic 1:** The Process of Government Intervention on Local Government Organization through Public Policy and How It Impacts the Content and the Implementation of Municipal Development Plan. This topic consists of ten guideline questions:

- 1) The process of government intervention on local government organization through public policy through three channels, namely 1) intervention through laws and regulations, 2) intervention on finance and budget, and 3) intervention through management and administration
- 2) The features or the type of content in a policy in which the government attempts to intervene

- 3) The conflict between the policy content/the project the government attempts to intervene and the actual content on development plan
- 4) The urgency of a policy in which the government attempts to intervene
- 5) The time horizon of a policy in which the government attempts to intervene
- 6) Methods to set up operating budget for implementation or promotion of projects, which comply with government policies
- 7) The number of policies/projects the government attempts to intervene annually
- 8) The expectation of being forced into complying with government policies through intervention by the Ministry of Interior
- 9) The source of resources (budget, personnel, tools, and technology) needed to implement government policies—through Minister of Interior's intervention
- 10) Evaluation of conducts and implementation of projects, which complies with government policies

**Topic 2:** The Effect of Government Intervention on the Implementation of Local Development Plan. This topic responds to the following ten questions:

- 1) How is the local government's budget affected by government intervention?
- 2) How are the local government's human resource, personnel and employee affected by government intervention?
- 3) How is the local government's equipment and technology affected by government intervention?
- 4) What other aspects of local governments are affected by government intervention?
- 5) What are the characteristics of the effect on municipal development plan?
- 6) What are the characteristics of the effect on municipal laws?
- 7) What are the characteristics of the effect on municipal administration?

8) What are the characteristics of the effect on implementation process of municipal development plan?

9) What are the characteristics of the effect on executive's policies?

10) What are the effects on other areas?

**Topic 3:** The Characteristics of How Local Government Organizations Adapt and Respond to Government Intervention. This topic aims to answer ten points:

1) What are the characteristics of the way to address the problem if a particular government policy is not included in the municipal development plan?

2) How do local government organizations make adjustment and adapt in terms of finance and budget to address problem of government intervention?

3) How do local government organizations make adjustment in terms of human resource, personnel, and employment to address problem of government intervention?

4) How do local government organizations make adjustment in terms of equipment and technology to address problem of government intervention?

5) What are the characteristics of adaptation in other relevant areas?

6) What are the characteristics of adaptation with respect to municipal development plan?

7) What are the characteristics of adaptation with respect to municipal laws?

8) What are the characteristics of adaptation with respect to municipal administration?

9) What are the characteristics of adaptation with respect to implementation of municipal development plan

10) What are the characteristics of adaptation with respect to executive's policies?

## APPENDIX B

### Interview List

#### A. Kalasin Municipality

Order	First Name	Last Name	Title	Date of Interview
1.	Mr. Jaruwat	Boonperm	Mayor of Kalasin Municipality	March 5, 2013 and May 8, 2014
2.	Mr. Kosit	Theerakul	President of the Kalasin Municipality Assembly	January 23, 2013 and May 8, 2014
3.	Mr. Surot	Saengsopaphan	Member of the Municipal Assembly	January 23, 2013
4.	Mr. Krisada	Wiengwalai	Member of the Municipal Assembly	January 23, 2013
5.	Mr. Thanat	Chitrdanont	Member of the Municipal Assembly	January 23, 2013
6.	Mrs. Saowanee	Rutnanikom	Director of Public Health and Environment Division	March 7, 2013
7.	Mr. Worawit	Phu-huad	Acting Director of Social Welfare Division	January 18, 2013
8.	Master Sergeant First Class Somchai	Somanusnanon	Acting Director of Research and Planning Division	March 15, 2013
9.	Mrs. Ubonrat	Pieakjummpa	Member of the Municipal Assembly	April 24, 2014



**B. Park Num Samut Prakarn Municipality**

<b>Order</b>	<b>First Name</b>	<b>Last Name</b>	<b>Title</b>	<b>Date of Interview</b>
1.	Mr. Siri	Chanhuab	Mayor of Park Num Samut Prakarn Municipality	April 22, 2014
2.	Mr. Pakapong	Pojchalongsil	Municipal Clerk of Park Num Samut Prakarn Municipality	April 22, 2014
3.	Mrs. Wasinee	Meknitikul	Director of Finance Division	April 23, 2014
4.	Mrs. Wansa	Jane-ariwongse	Director of Research and Policy Planning Division	April 24, 2014

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