Governance and policy-making in Thailand: 
A study of poverty alleviation policy since 1997

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Summary
During the past two decades, states across the globe, especially in industrialised countries, have experienced some pressures that demanded a reorientation of their role and position in the governing process. During the 1980s, economic and fiscal constraints signalled a changing perspective of what states were expected to do (Damgaard et al., 1989). Many governments turned away from the ideology of the 1960s and 1970s that valued a key role for the state in planning, redistributing, and providing basic human needs (Leftwich, 2000) and began to favour the neo-liberal policy that emphasised the role of market mechanisms. Optimism about the pivotal role and capacity of states to solve social problems began to decline, and this heightened the demand for a fundamental rethinking of governing arrangements (Pierre, 2000). It was argued that, rather than decisively intervening in the society, states should allow market mechanisms to govern the economy and to direct welfare distribution within society. The capacity of the state to make and implement policy, or in other words to ‘steer’ society to achieve collective interests, was seriously challenged by the market as an alternative governing mechanism (Pierre and Peters, 2000).

During the 1990s, globalisation emerged to become one of key themes in the analysis of the changing role of the state in policy-making (Holton, 1998; Hudson and Lowe, 2004). The globalisation process had a critical role in reconfiguring the nature of the state and its relations with other actors in the policy-making process. Pressures from international forces began to be viewed as threats to the sovereignty and political control of states over their domestic policy agendas (Camilleri and Falk, 1992; Deacon et al., 1997). In many countries, the capacity and power of governments to manage their society was dispersed upward to international institutions and downward to sub-national governments (Strange, 1996). The influence and role of international and domestic non-state actors in the process of policy-making and implementation increased noticeably (Held, 1991). Several emerging models of governance were introduced. They drew on new ideas about what ought to be the new forms and functions of the state in relation to society. Governing through community and networks received high attention as alternative governing approaches (Atkinson and Coleman, 1992; Tam, 1998). Both approaches viewed the state more as a differentiated entity (Rhodes, 1997) and just another component of the complex patterns of interaction in policy-making process.

Principal questions have emerged from what has happened to the state over the past decades. These questions have centred around the extent to which the state continues to have an unrivalled position in society and has been able to maintain its position as the key locus of political power and authority in the making and delivery of policy; or whether the state has become increasingly dependent on other actors in directing society towards desired ends. One critical area of examination that could help to answer these questions is the investigation of the shift in perspective towards state-society relationships in the governing process (Pierre and Peters, 2005). Some scholars argue that the state has reoriented its role among an increasing range of institutions and actors involved in the policy-making
process (Jessop, 2002; Waters, 2001). Other authors contend that the power of the state is not diminished, but is being readjusted and reconstituted to displace traditional conceptions of statehood as an absolute, indivisible, territorially exclusive, and zero-sum form of power in response to the growing complexity of society in a more interconnected world (Held, 1991; Held et al., 1991; Rosenau, 1997). The central concerns of these scholars remain focused on the changing role of the state and its capacity to pursue collective interests under dynamic external and internal conditions. To them, the pressures being imposing on the state do not necessarily lead to the end or decline of the state, but instead the transformation and adaptation of the state to the society in which it is embedded (Pierre and Peter, 2000).

However, most of the literature has drawn on the experience of industrialised societies and is largely based on the Anglo-centric interpretation of the changing role of the state. A question that remains important probes the extent to which the argument of state reorientation/ transformation is relevant to what has been happening in other parts of the world, especially in developing countries. Researching this issue in the context of non-western and developing countries as well as those societies in transition is still less explored. This dissertation therefore aims to investigate the case of Thailand, a developing country in Asia, to discover if any change in the role, power, capacity, and strategy of the Thai state vis-à-vis non-state actors in the governing process could be observed on the same basis as the literature has proposed. Has there been any change with regard to state-society relationships and dependencies in response to the demands and pressures imposed by internal and external forces? Thus, this case study of a developing country in a non-western context has the potential to provide a fresh contribution to academic debates on the nexus of globalisation, governance, and policy-making.

The Thai state has experienced critical challenges pressured by the financial crisis and globalisation since the late 1980s. The pressure became more intense in the 1990s and especially after the 1997 financial crisis. The crisis initiated many critical changes to Thailand’s socio-political milieu, governance, and policy-making. Domestic political arrangements were shaken by the crisis, new political forces arose, and non-state actors began to gain a more important role in policy-making (Hewison, 1997, 2000, 2001). At the same time, issues of the appropriate role and relationship between state and society, suitable public policies, and institutional reform for national recovery from crisis were the major topics of wide public discussions and debate. Governance reform and building a ‘good’ governing process have become prime policy agendas since then (Orlandini, 2003). Furthermore, a new constitution was promulgated in 1997 with specific aims to shift Thailand from a highly centralised state whose politics had often been dominated by a narrow set of political, bureaucratic, and economic elites to a decentralised structure in which government institutions at all levels would operate in a more participatory, transparent, accountable, and responsive fashion (Klein, 1998; Niyom, 2003). In 2001, a significant change in Thai governance arrangements and policy
directions occurred when a new government came to power. New policies based on a pro-poor, pro-rural, and pro-Thailand platform were introduced to realign the state with coherent governing strategies in the post-crisis milieu.

These changes continue to transform Thai governance and policy-making, but the changes have left ambiguity and confusion concerning the present configuration of governance in Thailand. Specific study is needed to gain a better perspective of the Thai governance. This dissertation therefore aims to explore the configuration of Thai governance by examining the roles and interactions of key state actors vis-à-vis domestic and international non-state actors involved in the governing process. It is necessary that the investigation be grounded on a specific policy area so that the roles and interactions of all actors could be empirically examined. Anti-poverty policy is selected for reasons explained in Chapter 2. So this research further explores how this governance configuration affects the making and delivery of anti-poverty policy and considers if there are any significant changes in governance to be observed. If so, in which way have these changes developed? Who has shaped these changes and how? The issue of power relations, the politics of policy formulation, and the implementation processes are also considered. Underlying themes of this research are concerned with the evolving interactions between state and societal actors in the governing process of anti-poverty policy and the extent to which the Thai state has reoriented its roles to remain engaged in steering society on the same basis as what has been described in the Anglo-governance literature.

This research draws mainly upon the theoretical frameworks of governance, power, and institutionalism. It uses these frameworks to guide a theoretically informed analysis of the case being investigated. The governance framework seeks to explain a whole series of arrangements of state-society relationships and offers a range of exploratory perspectives to promote an understanding of governance configuration. The framework embraces not only the actions of government or state apparatus but also includes a wide range of institutions/actors and practices of these actors in the governing processes. So it facilitates an attempt to examine the ways in which key relationships between government, domestic non-state sectors, and international organisations are evolving and being reshaped.

A qualitative case study approach is employed in this research with a single case design focused on poverty alleviation policy in Thailand. This approach offers rich, detailed information about actors involved in the governing activities and the development of policy within a specific context. The research is based on various sources including documentary sources, semi-structured interviews, and observation. The information was analysed thematically using some key properties drawn from the theoretical frameworks. Empirical findings are presented in a historical narrative form.
1. Thailand’s governance configuration since 1997

Emerging themes from the research findings suggest some dynamic patterns in the relationship between various actors involved in the governance of anti-poverty policy since the 1997 crisis. These changing relationships became more evident when observed over the extended duration between 1997 and 2005, with a change of government in 2001 appearing to be a turning point. The changes produced different effects on the process of policy-making. This section uses three key parameters mentioned in Chapter 2 – actors, processes, and modes of governing – to exemplify the evolution of Thailand’s governance configuration.

1.1 Actors

After the crisis, it was observed that the capacity of the Thai state to steer society was weakened. The government was subject to serious budget cuts due to effects of the crisis. Accessing Thailand’s core policy-making agency became less competitive because the crisis had weakened some of the strong, influential business interests which used to dominate Thailand’s development agendas. This situation offered a wider ‘social space’ for societal actors to gain more access and involvement in the anti-poverty policy-making process. However, the participation was not an open process, but was biased in favour of insider groups connected to key policy-makers in the central policy planning agency and government. Participation was entirely subject to the discretion of the state that decided who would be allowed to participate. Therefore, only a few societal actors were still able to achieve access. A major state actor was the NESDB, a planning agency in this policy area. The NESDB selected only those societal actors who were believed to have some expertise or resources to help the state alleviate impacts of the crisis, especially the problem of poverty emergencies. A network of communitarian advocates was selected to take part in the process of drafting the national development plan and in this way, the advocates could gain influence over policy decisions and implementation. When the state set up NSPC, the same group of advocates remained involved. As for globalised actors, only the World Bank managed to have a prominent role in this policy area. The Bank reoriented its role to a position of actively supporting the poor. This permitted the Bank to access this policy arena. International NGOs, trans-national corporations, and media did not have any involvement in national policy-making, nor did other government agencies or state actors.

After the government changed in 2001, the state, or the TRT government in particular, managed to attain a strong position in governing the process of anti-poverty policy-making. Since the TRT came with a strong pro-poor policy platform and the determination to implement it, the role of the NESDB in making poverty alleviation policy soon began to diminish and the TRT government took over the
main role of governing anti-poverty policy. New executive agencies, including the VURFO and NCPE, were established under the Prime Minister’s Office to take charge of anti-poverty initiatives in collaboration with the Ministry of Interior. Given this change within state actors, the poverty alleviation policy arena was still far from fully open to a broader participation by societal actors. Instead, the change reflected the capacity of the government to mould this policy arena and play a decisive role in choosing societal actors. Government held the power to determine which appropriate societal actors would be involved in its policy initiatives and which would not be. As a result, no new actor entered into the policy-making process, but only the same group of societal actors involved in the policy prior to 2001 was selected because of their connections with some key policy-makers. This group was held up by the government as representatives of the civil society sector. Notably, the involvement of these societal actors was perceived to be an essential condition legitimising the state and allowing it to retain its strong arm governing practices. The state could thereby claim to have non-state players participating in policy decision-making. The Bank managed to retain its engagement in this policy arena, but its role became insignificant with very little leverage over policy negotiation. There was still no significant involvement of any international NGO, trans-national corporation, parliamentary, media or domestic business player.

1.2 Governing processes

Prior to 2001, the Thai state primarily depended on support from societal and globalised actors to establish its policy agenda, to define its priorities, to mobilise resources, and to implement action. Decision-making was assumed to be contingent on support from non-state actors in both the formation and implementation of policy. The principal style of decision-making was based on a participatory approach when inputs from society were needed.

State agenda setting decisions during this period reflected the interests of societal and globalised actors to a greater extent. Although the final decisions were laid upon policy-makers in the NESDB, societal actors offered much input to the formation process of the Eighth and Ninth NESDPs, and were able to influence the thinking of NESDP policy-makers. An alliance of communitarian advocates, based on its networks and expertise in the community empowerment approach to poverty alleviation, was able to mainstream its agenda into these NESDPs through manipulating the NESDP’s drafting process. Later this alliance worked with the government in NSPC and instrumentally made use of this committee to support its purpose by connecting poverty alleviation measures with the community empowerment agenda. In this way the advocates raised their pro-community agenda as a top policy priority. They smartly captured the anti-poverty agenda and interpreted the policy problem in a way that served their community empowerment agenda.
The globalised actors were in a strong bargaining position in negotiations with domestic players due to their position as a major source of financial support during the crisis. However, in the area of anti-poverty policy, they did not initially have their own particular policy platform. Once they had decided to readjust some of their agendas toward the mitigation of the crisis and its effects on the poor, as well as to find a means by which to remain engaged in Thailand, the idea of promoting grassroots development through the investment fund was introduced. This idea matched what societal actors had advocated, so the agenda of both parties converged through the community empowerment approach, particularly in the case of the World Bank’s SIF. In this way, the Bank used anti-poverty policy as a platform for engagement in Thailand.

The Thai state was also dependent on the support of non-state actors to implement policy. The Thai state depended on financial resources from the Bank in the government’s crisis relief programme, which was evident in Channel 1 of the SIP scheme. At the same time, the state also depended on the networks and capacity of societal actors in its implementation of community empowerment programmes for poverty alleviation at the street-level. The interdependency between societal and globalised actors in the case of SIF could also be observed. It also appeared that the Bank relied on societal actors to implement its crisis mitigation programme, while societal actors depended on financial support from the Bank. However, while the SIF project was implemented by NGO people with Bank funding, it was observed that the Bank attempted to exercise some degree of control over the project’s resources and closely monitored its progress. It must be noted that societal actors achieved the institutionalisation of a permanent agency to ensure a continuity of financial support from the government’s budget. SIF and CODI were evidence of this achievement. In particular, CODI assured that societal actors could continuously use this agency to propel their community empowerment agenda.

It was clear that the economic crisis forced the Thai state to be less self-reliant and more inclined to operate through non-state actors and other forms of public-private joint action. With its limited capacity to provide resources, particularly financial resources, the state sought to play a coordinating role, bringing together resources from non-state actors at little direct cost to the public budget. However, involving non-state actors in the poverty alleviation programme did not mean that the Thai state lost its ability to control the process of policy-making and service delivery activities. Instead the Thai state was able to maintain its services to the poor even under severe budget constraints by a means of readjusting its governing strategies.

When the new government came to power, the Thai state began to be strengthened and became a dominant player in the governing process. Although societal actors provided some inputs at the initial stage when TRT first began to develop its anti-poverty policy, later decisions appeared to be largely
determined by the TRT government while the role of the bureaucracy in policy decision-making began to deteriorate. Later, in the case of the Poverty Registration Scheme, the Thai state managed to take full control of redefining the anti-poverty agenda in terms of the state’s view on social needs. Then it imposed its agenda intrusively onto society without society being accorded an opportunity to participate. This decision-making process was relatively decisive and made entirely by the state with no significant input from non-state actors. The role and influence of globalised actors were sharply diminished, especially when the TRT government did not need financial assistance from them. This condition forced globalised actors to search for a new strategy to retain their engagement in the policy-making process. The World Bank found a way to cooperate with the NESDB by means of CDP-PAM, but it had to follow the agenda defined by the Thai state. Its leverage on policy-making became minimal.

The Thai state took an active role in driving policy implementation. The new executive agencies, including the VURFO and NCPE, were established to serve this purpose. This situation provided little room for societal or globalised actors to influence or become involved in the policy implementation process. Instead of depending upon other actors to implement the anti-poverty scheme as was the case prior to 2001, the Thai state relied mostly on direct provision and policy instruments that allowed the state to independently implement policies itself. In the case of VURF, the TRT government decided to direct a significant proportion of its resources from the government budget straight to the poor. Any intermediary non-state agent was bypassed including those societal actors who had formerly dominated SIF. In the case of NCPE, through which an individualistic approach to poverty was implemented, the poor received direct support from the state. Although the state co-opted societal actors at the very early stages of implementation, this research observed an attempt made by the state to undermine the role and involvement of societal actors at the later stages. The post-2001 era witnessed the capacity of the Thai state to exercise a considerable degree of control over society in this area of social policy.

1.3 Modes of governing

Prior to 2001, communitarian governance had become the main mode of governing, an approach that was strongly promoted by all actors who participated in poverty alleviation policy. The Thai state accepted this mode of governing because it perceived this mode as appropriate for mitigating poverty in the long run. In contrast, societal actors pursued this mode because they believed it was an alternative approach to the national development trajectory and this mode had the potential to reduce the state’s power. They held this mode of governance as having the potential to allow communities to begin to lead their own development process at the grassroots level. Globalised actors pursued this
governing mode because they viewed communitarian governance as a channel to access the social policy terrain and to remain engaged in Thailand’s policy-making.

Later, institutionalised cooperative arrangements for policy formulation and implementation between the state and society were promoted by societal actors under the rubric of state-civil partnerships. Societal actors wanted to use this type of institutionalised structure to influence policy-making at all levels of governance in Thailand: from the national to the local level. They attempted to reframe the relationship between the state and society as well as to equalise power disparity between both of them through this partnership initiative. Globalised actors, particularly the Bank, also advocated partnership governance through CDP-PAM. This instrument allowed the Bank to remain engaged in anti-poverty policy-making. The momentum of the partnership governance was carried forward to the time when the new government came to power, when again it was pursued by different actors with different rationales.

During the TRT administration, partnership was used by the state as a strategy to co-opt and assimilate the networks and knowledge of the communitarian advocates. Societal actors directed their efforts toward institutionalising the state-civil partnership structure because this would allow them to have a formal channel through which to participate in policy decisions and implementation at different levels of governance. This partnership governance also gave societal actors an opportunity to access and legitimately use government resources to propel their agenda. This rationale was reflected in the cases of PNCU and CSCS. Globalised actors used partnership as a strategy only to help them retain their engagement in Thailand’s policy-making and to conduct some activities with the government, although their role and influence eventually declined considerably. The CDP-PAM showed that the Thai state had become the key player in this partnership structure while the Bank had only to follow and support the implementation strategies defined by the Thai state.

Notably, the recent attempt of government to institutionalise a state-society partnership in the Poverty Registration Scheme has highlighted that the partnership between the state and society in this Scheme was achieved only in form rather than in essence. The implementation of the Scheme emphasised a possible tension between a statutory partnership encouraged by the state under the NCPE organisation and a more directive, hierarchical form of governance under the bureaucratic structure. It is also doubtful if the government attempted to break up the communitarian alliance, and aimed to undermine the role and power of societal actors by co-opting them under this state-instituted partnership. In this way, state transformation in pursuing partnership governance could be interpreted as a state strategy to maintain its power.

Changes in the configuration of Thai governance since 1997 are summarised in Table 1.
Table 1: Key features of Thailand’s governance since the 1997 crisis

<table>
<thead>
<tr>
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<th>Pre-2001</th>
<th>Post-2001</th>
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<tbody>
<tr>
<td><strong>Key actors</strong></td>
<td>• The NESDB in cooperation with societal actors.</td>
<td>• Government and its new agencies established to take charge of policy initiatives.</td>
</tr>
<tr>
<td><strong>State capacity</strong></td>
<td>• Weak due to the impact of the crisis.</td>
<td>• Recovered its capacity by the process of ‘regaining’ resources under the guise of crisis recovery.</td>
</tr>
<tr>
<td><strong>Societal capacity</strong></td>
<td>• Possessed networks and expertise of community empowerment to poverty alleviation.</td>
<td>• Undermined by the state • Access to government resources was cut off.</td>
</tr>
<tr>
<td><strong>Agenda setting</strong></td>
<td>• Remained as the state’s decision but more contingent on support from non-state actors. • Was influenced mostly by societal actors and globalised forces.</td>
<td>• State independently set priorities and determined agendas. • Problems were reframed and redefined by the state with little involvement by other sectors.</td>
</tr>
<tr>
<td><strong>Implementation</strong></td>
<td>• Dependent on support from non-state actors. • Cooperation between state and non-state actors. • Operations left to non-state actors. • Globalised forces retained some degree of control.</td>
<td>• State co-opted societal actors. • State steered the process. • State directly supported the poor and their communities. • State-directed, state-initiated partnerships.</td>
</tr>
<tr>
<td><strong>Modes of governing</strong></td>
<td>• Communitarian. • Partnership.</td>
<td>• Hierarchy. • Partnership.</td>
</tr>
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According to the above discussions, instead of the Thai state turning into a weak and less powerful actor in shaping policy and service delivery as indicated in recent studies (see Chapter 2), it was observed that the Thai state was able to use different governing approaches and strategies to maintain its power to steer society, to influence other actors, and ultimately to align all other non-state actors with its purposes, at least in the case of anti-poverty policy. The governance configuration of Thailand’s anti-poverty policy appeared to shift from what could be called a society-guided, state-governed governance toward a state-guided, state-governed governance. In the former configuration, the role of societal actors and globalised actors was prominent in guiding and shaping the policy decision-making process. The intervention of society in policy implementation was also noticeably essential. The state was very much dependent on the support of other non-state actors. However, this did not mean that the power of the state was diminished; instead, it readjusted itself to fit with new policy conditions. The state’s adoption of the communitarian and partnership governance approach became its strategy to maintain its role in steering society, or in other words, to retain its power to govern. In the later configuration, the state was able to exercise its power over the policy agenda.
setting and to regain its control over resource distribution in order to manage policy implementation. In this configuration, the state attained its full capacity and power to govern. Since 2001, the state has had a substantial capacity to use government apparatus to steer society. It guided policy formation and directed policy execution with neither the direct support nor the significant involvement of other actors.

2. Governance and policy-making

2.1 Governance as a process

This research found that a more dynamic perspective examining governance as a process to be very useful. Although institutional arrangements remain important when studying governance because they determine what roles the state can actually play in governance (Kato, 1996; Peter, 1999), thinking about governance from a process perspective is even more important because governance is not only about structures but more about the interactions among actors or institutions (Kooiman, 2003; Pierre and Peters, 2000). Investigating governance by focusing only on institutional arrangements tends to provide only snapshots of the relevant institutional structures and a partial view of the interactive nature of governance. It is likely to obscure the full manifestation of interactions among concerned institutions or actors in the production of governing outcomes. Therefore, an alternative assumption is that governance is a dynamic process of interactions amongst various domestic and external actors. Furthermore, examining governance through the lens of process could help to address changes occurring over time and in different degrees. Using this approach to investigate the case of Thai governance confirms the usefulness and importance of perceiving governance as a process whereby changes in state-society relationship can be identified and explained.

The process of steering and coordinating are two dominant dynamic perspectives in the current literature (Pierre and Peters, 2000). The concept of governance as steering is at the heart of much of the current literature on governance (Pierre, 2000). Some even argue that it is central to most theories of governance (Kooiman, 1993, 2000). From this perspective, states are still capable to steer society, although now their authority is less based on legal power, and more on its control over critical resources. In another perspective, governance sometimes refers to the coordination of a sector in society such as the economy or industry (Hollingsworth et al., 1994; Gamble, 2000). It could also refer to a social coordination and interaction between both public and private institutions organised into networks to deliver and respond to social needs (Atkinson and Coleman, 1992; Marsh, 1998). In any of these perspectives, governance is considered in a dynamic manner. This process approach seeks to reveal how actors, both state and non-state, control governing activities and produce desired outcomes (Pierre and Peters, 2000).
2.2 Politics in governance

The concept of governance often relies upon the concept of ‘co-governance’ (Kooiman, 2003), which could be expressed in the forms of collaboration, co-operation, partnerships, or network modes of governing (Kooiman, 2003, Rhodes, 2000). However, one could question how ‘co-governance’ would be achieved if the participants held different interests and motives in joining the various modes of ‘co-governance’? Do differences in interest and motives have the potential for raising conflict among them? What needs to be taken into account is the nature of politics in the governing process. Politics is all about contradictory and conflicting interests, a reality which might seem to be based on a different assumption than the assumptions in the ‘co-governance’ proposal.

Based on findings of this research, power disparity between the Thai state, societal actors, and globalised actors could be observed. At different points in time, each one holds incompatible resources and thus has incompatible power to influence or shape policy. With different levels of leverage, the bargaining power of each actor would be unequal, and policy-decisions would tend to favour those with stronger power. In this manner, partnerships do not necessarily mean a balance of power amongst the different actors in the partnership arrangement. As well, multi-party involvement in partnership governance does not necessarily mean the power is equally distributed or shared among all players. Furthermore, this research found governance to be a political relationship, whereas the interactions of each actor were driven by its own interests. Each actor had different objectives or goals, and each one tended to pursue an achievement of its goals. This nature of relationship caused any form of ‘co-governance’ to be difficult to achieve. This very nature of politics became a cause that prevented partnerships in the case of Thailand’s anti-poverty policy from functioning successfully.

Another related issue is that the emphasis on partnerships in governance theory tends to ignore the continuing role of bureaucratic hierarchy. Public-private partnership arrangements typically assume a limited role of the hierarchical structure in bureaucracy. This tends to lead to ignorance of the interplay and tension between hierarchical structure and partnership arrangement. As illustrated in this research, partnership governance might take place in the shadow of hierarchical organisation. In general, a partnership would include representatives from different government agencies and non-state sectors. If interactions among members across state-society sectors happen more frequently than interactions within the same sector in the process of conducting governance activities, the hierarchical structure may not have much influence. This condition often occurs when the state is weak. In the opposite way, if the governing process demands more interactions among representatives from government agencies than interactions between state and non-state participants in the governing process, the hierarchy is likely to play a major role in the process, and partnership might not be
effective in practice. Partnership structure in implementing the Poverty Registration Scheme via the government bureaucracy was a case which resulted in no collaboration between state and non-state actors at the street-level implementation stage.

2.3 Policy as a platform of governing interactions

Many leading scholars in the field of public policy conceptualise policy as a product of a rational process of searching and analysing information to achieve optimum solutions for social problems. The policy process is usually perceived as a sequence of various stages: problem identification and agenda formation, policy formulation, policy adoption, policy implementation, and policy evaluation (Anderson, 2000; Hogwood and Gunn, 1991; MacRae and Wilde, 1979; Quade, 1989). What this research found was that policy was not a product of such a rational process; instead, policy could be viewed as an arena of governing arrangement whereby various actors used policy as a platform to pursue their own agendas and interests.

In the case of pre-2001 Thailand, poverty alleviation policy was pursued by communitarian advocates to advance their community empowerment agenda as well as to offer them a ‘social space’ to participate in decision-making and to access government resources. For state actors, particularly the government and NESDB, anti-poverty policy was used to tackle the impacts of the crisis and to address the poor, a strategy which certainly yielded much meaning to their political future. But for the Bank, this policy area gave it a ‘ticket’ to engage in this social policy area as well as to propel its neo-liberal reform agendas by addressing the needs of those who had been disadvantaged by a liberalised market. After 2001, while societal actors still pursued the anti-poverty agenda to maintain some institutionalised channels in which to participate in policy-decision and to guarantee access to government resources, the government devised policy to serve its political purposes. The TRT government used this policy as an instrument to gain popular support and to reach out to a broader electorate, as well as to use it as a means for social intervention and manipulation. For globalised actors, the anti-poverty programme provided a platform for the Bank to remain engaged in Thailand’s policy-making.

The case of Thailand’s anti-poverty policy shows that policy can become a platform for interactions, in which negotiations or competitions amongst different interests exist. These interactions produce policy that is biased towards powerful actors who hold a stronger bargaining position. In other words, policy has been a result of competition among different constellations of power in domestic politics, and it represents the interests of a dominant force who sets the agenda and manipulates the mode of policy delivery. Therefore, it is vital to examine governance arrangements within specific policy contexts since the pattern of interactions is likely to vary across policy areas.
2.4 Governance in the context of developing countries

The contemporary forms of governance advocated in the West promote a new process of governing arrangement through market, community, or self-organising/inter-organisational networks characterised by ‘interdependence, resource exchange, and significant autonomy from the state’ (Rhodes, 1997: 14). However, while this may provide an appropriate basis for theorising about change in western governance, it is doubtful how relevant this model is outside of the specific Anglo-centric context, particularly in the context of Asian developing countries, where the legacy of authoritarian or paternalistic, soft-authoritarian governments remains (Beeson, 2001; Polidano, 2001; Tan, 2000). This research suggests that the governing arrangement in developing countries could appear in a different manifestation from the Anglo-American realisation, at least in Thailand’s case. Even where political reform has recently occurred, it does not necessarily lead to the expansion or consolidation of an independent non-state sector (or civil societies particularly) of a sort associated with the forms of governance proposed by scholars in developed countries (cf. Connors (1999) and Ji (2002) for Thailand’s case).

This research found that the Thai state deliberately readjusted its strategies of engagement in relation to other non-state actors to retain its power over society. It seems to be that the institutionalised legacy of the strong state in Thailand continues to place constraints on possible patterns of ‘co-governance’ that are predicated upon the existence of fully functioning and independent non-state actors. While not as coercive as it once was, the Thai state appears to be able to manoeuvre society. This strategic manipulation exercised upon non-state sectors is made possible under the post-2001 governance though partnership and community modes of governing. Societal actors are not only frequently co-opted by the state but may to some extent be controlled by it. Such a condition concurs with Clarke’s argument (1998) claiming that the political effectiveness of NGOs in developing countries largely dependent positively or negatively upon a state-defined regulatory framework. Considering this issue in the broader context of East Asia, Cheung and Scott (2003) comment that the paternalistic and centralising traditions of Asian states denote that the state is reluctant to devolve power, particularly to non-state institutions or those institutions that the state fails to reach and control in some way. Power to govern remains predominantly in the hands of the state, its bureaucracy, and those institutions it patronises. Their studies report that public sector reforms in Asian societies have become instruments or tactics used by Asian governments to strengthen state capacity. Beeson and Jayasuriya (1998) also argue that the institutional infrastructure that might permit alternative modes of governance, particularly in the form of independent policy networks existing outside of state control, simply does not exist in Asia in the same way that it does in Western Europe. In other words, because states in Asia still generally guard their independence and seek to maintain control over political structures and
processes that may impinge on their autonomy, they refuse to accept any notion of ‘shared sovereignty’ with other non-state actors, as advised in western literature (Beeson, 2001).

The differences in historical development experiences of developing countries in Asia suggest that different natures of the traditional state-society arrangement induce different state roles in the governing process. The form of governing arrangement undertaken in a country would reflect existent, contingent realities of that country. Moreover, the nature of competition among different constellations of power not only makes co-operation difficult, but makes the establishment of governance though independent networks of the sort that occurs in Europe unlikely. This implies that the role of the state in governance is a contextual phenomenon: it could take different forms in different political and institutional contexts, and a state could be either the key, co-ordinating actor or simply one of several powerful players in the process (Pierre, 2000a).

If the governance configuration in each country is contextually sensitive, one might ask how useful the governance framework is when analysing governance in the context of developing countries. This research found that the governance framework as adopted in this research has potential to open up alternative ways of looking at the interactions and linkages between domestic and global actors, as well as the different forms of governing arrangements in the pursuit of collective interest fulfilment. One of the key benefits in employing the governance framework to analyse the case of Thailand’s anti-poverty policy was that the framework captured the new emerging forms of ‘steering’ strategies. These strategies seemed to be replacing ‘command and control’ policy instruments used by the Thai state in the old days. The notion of governance and the framework it offered serves as a useful tool to better understand the changing roles, powers, functions, and activities of the state in both developed and developing societies. However, some propositions of the governance perspective suggested by scholars such as Peters (1998a) or Stoker (1998) could be considered when analysing governance configuration in different contexts while other propositions might be improper. For example, one key proposition of governance promoted in the West is that of governing through networks rather than hierarchy, through partnership rather than control, and through negotiation rather than command. In Asia, however, most countries started from either a traditional autocratic-paternalistic ruling system or a corporative developmental state, and the legacies of these systems remain in present governing configurations, for example the notion of Javanese kingship authority in Indonesian political culture or the idea of corporatism in Korea, Japan, and Taiwan (Cheung and Scott, 2003). This means that some propositions need close attention and critical examination when used to analyse governance in developing countries.
3. Governance and globalisation

Some scholars conceived globalisation as an external phenomenon that has been passively received by states, and adopted the logic of the convergence approach into their analysis (Ohmae, 1990; Reich, 1992; Strange, 1996). They argue that states are gradually ‘hollowing out’ of their locus through the globalisation process, where networks of production, trade, finance, and market bypass the state’s ability to control trans-border movement of these things. National governments have become simple intermediate institutions sandwiched between increasingly powerful local, regional, and global economic mechanisms. States are depicted as being under siege by global capitalism and its institutional allies and inevitably forced to pursue social and economic policies compatible with globalised forces. Some authors argue for the powerful supranational government and non-governmental agencies that can play critical roles in shaping social policy of a country via instruments such as structural adjustment funds, social development assistant programmes, or standard setting (Deacon et al., 1997; Yeates, 2001). In sum, globalisation has been perceived by these scholars as an inevitable force that has eroded the state’s political power, policy autonomy, and its principal role in public policy-making.

The findings of this research contribute to this debate. In Thailand’s anti-poverty policy during the period of study, the capacity of government to manage society had not yet ‘hollowed out.’ Although the intervention of globalised agencies in national anti-poverty policy was clearly observed after the financial crisis, it lasted only until the new TRT government came into power. Two variables could explain changes in the relationship between domestic state and globalised forces: the degree of state capacity and its policy towards external assistance. Findings of this research indicate that, contrary to the arguments of strong globalists, globalisation and the influence of globalised forces might not necessarily diminish the state’s capacity. Instead, globalisation could contribute to the reorientation of the state in the governing process and to the ways the state manages society.

When the capacity of the Thai state to manage domestic affairs was weakened due to the consequences of the financial crisis, the state had to call for financial assistance from international agencies. This condition gave an opportunity for international agencies to shape and influence domestic social policy based on the idea of developing a social safety net for the poor. The Bank implemented SIP to reduce the social consequences caused by the crisis over the short-term. For the longer term, SIP aimed to empower people at the grassroots level through community-based development initiatives. However, soon after the Thai state managed to recover its capacity after the crisis and shortly after it could recuperate from budget constraints; it started to negotiate with international agencies and to realign its policy against external assistance. This reorientation of the Thai state to become not only a non-aid recipient but also an emerging donor pressured the Bank to search for a new strategy to retain its
involvement in this policy area. The Thai state became an agenda setter and to some extent was able to pressure the Bank to follow and support its state-defined policies. Within the new partnership framework of CDP-PAM, the Thai state was able to manoeuvre and negotiate its position with the Bank. At this time, the state held the capacity to resist any influence exercised by globalised forces. Although the Bank attempted to initiate a policy dialogue instrument through its social monitor report series, the impact of this instrument was insignificant and yielded no influence on national policy. In this way, the state’s capacity and policy reorientation against external forces were the key factors in determining the nature of the relationship between the state and globalised forces.

Furthermore, in the case of SIP, the Bank did not have its own local presence to implement the programme; therefore, it indeed depended on the cooperation and partnership of government agencies to implement its programmes or agreements. On the same basis, the Bank also relied on NGOs to implement the SIF scheme. This structural dependence of international organisations on state and domestic non-state agencies inevitably offered room for national politics to negotiate with globalised forces. This case supports the observation given by some scholars that the impact of globalisation was often greatly overestimated and that the ‘hollowed-out state’ argument was somewhat flawed (Hirst and Thompson, 1996; Holton, 1998; Waters, 2001; Weiss, 1998). States yet have considerable autonomy in how they interpret constraints placed upon them by so-called globalised forces. This research argues that state adaptation, not state retreat, should be the hallmark of globalisation.

Another point to be mentioned here is that public policy could be perceived as an instrument that states use to manage globalisation. Far from surrendering to globalisation, states can pursue a variety of strategies to steer the globalisation process or to manage any influence caused by globalisation at the domestic level (Rieger and Leibfried, 1998). In doing so, states can advance their interests. The case of anti-poverty policy in Thailand might be considered in accordance with this line of analysis. It could be argued that the TRT government’s emphasis on anti-poverty policy served the purpose of not only internalising the agenda from societal actors, but also internalising the agenda from the globalised forces. Once the TRT government adopted an agenda which used to be pursued and promoted by the Bank, it narrowed down a range of policy agenda that the Bank could pursue to influence Thailand’s domestic policy-making. It also lessened the channels through which international organisations could influence domestic affairs. In this way, adopting anti-poverty policy helped the Thai government to mitigate pressures imposed by international organisations. This strategy also offered political space for the government to manage its own affairs. This example recognised the centrality of state as a key mediator of globalisation. Public policy was used by the state to reinforce its position against globalisation.
The final point drawn from the findings of this research is that the influence of globalised processes is politically negotiated and mediated at the level of national politics through governance arrangements. Globalisation neither produces unitary outcomes nor does it erase local or national differences in public policy (Tickell and Peck, 2003). Specific institutional arrangements between state and non-state actors determine the very nature of policy-making in a country. In other words, the apparently universal imperatives of globalisation are mediated differently in specific national institutional contexts, producing significantly different outcomes (Beeson, 2001). This not only suggests that governments may retain more policy discretion and autonomy than some observers would claim, depending on their capacities, but also the studies about globalisation and public policy thus strongly need to broaden their inquiry by incorporating the dimensions of the governance configuration in their analysis. However, the institutional arrangements in the governing process and the relationships between government, societal actors, and globalised agents vary from country to country depending on the country’s social, political, cultural, and historical background. This means that the way which each country experiences globalisation and how each country responds to it can be expected to differ quite significantly. In other words, the study of the relationship between globalisation, governance, and public policy-making has to be concerned with the particular conditions within specific settings.

4. Conclusion

This research offers a contributory perspective of the nexus of governance, policy-making, and globalisation. The research supports a position arguing that the power of states is not yet diminished; on the contrary, the power is being readjusted and restructured in response to the growing complexity of the contemporary governing process. The form and functions of the state have reconstituted as the state seeks coherent strategies for maintaining its influence over domestic policy-making and engaging itself with new policy conditions. Examining the recent development of governance in Thailand’s anti-poverty policy has produced an empirical contribution to the theoretical development and debates in this area of research. Furthermore, the new configuration of governance is uneven, given the socio-political condition of a country, and it is subject to results of the power relationship that the state and other domestic or international non-state policy actors have negotiated. The study of Thai governance has promoted this idea of understanding governance in a specific context by broadening our perspective of governance in a non-western context. It moves away from the Anglo-American governance paradigm by looking at a specific policy in the context of developing countries in the East. Contemporary patterns of governance in Asia tend to be different from those in the Euro-American context, as exemplified in the case of Thailand’s anti-poverty policy with its specific contingencies. There is no universal model of governance that will be equally applicable or efficacious in all circumstances.
Nonetheless, the notion of governance as an analytical tool has the merit of providing a conceptual framework within which diverse forms of political and economic organisation can be compared and contrasted (Beeson, 2001). This means there is still a need to look at the nexus of governance, policy-making, and globalisation issues in a comparative perspective by analysing different social policies in Thailand, such as health care and education policy. This approach would provide a better understanding of the manifestation of governance and social policy in Thailand. Moreover, comparative cross-country studies would yield a more comprehensive understanding of some of the differences in the nature of state organisations – such as the political system (presidential, parliamentary, or mixed systems), state structure (unitary versus federal), national administrative organisation (centralisation versus decentralisation), or the level of a country’s development (developing versus developed) – which would in turn produce particular modes of governing and governance configurations. Cross-country studies would enable us to compare policy outcomes based on a test of a variety of theoretical assumptions about policy-making and governance. Hence these comparative studies should be fully developed in future research to enrich the understanding of policies and politics in developing societies and how they benefit people’s everyday lives.