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# Decentralization and Local Governance in Thailand under the New Constitution: Challenges of Re-Centralizing Politics and Administration

*Woothisarn Tanchai\**

*Aekkawee Meesuk\*\**

## Abstract

This article aims to comprehensively illustrate the status of decentralization and local governance in the context of Thailand after the 2014 military coup and the enactment of the 2017 Constitution. The impacts are explored in three aspects: legislation, administration, and politics. Recently, centralization of politics and administration has been revived as the result of constraints of the Constitution and laws on decentralization and local governance. A preference for central and regional administrative mechanisms hardly supports policies of decentralization in the political context.

*Keywords:* decentralization, re-centralization, the 2017 Constitution

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## Introduction

Both the successes and obstacles in the development of decentralization and local governance in Thailand have been closely studied and assessed since the beginning of the concrete process of decentralization. Following the enactment of the 1997 Constitution of Thailand, laws and plans were created to support decentralization, including the Determining Plans and Process of Decentralization to Local Government Organization Act (1999), the Election of Local Councilors or District Administrative Members (2002), and the amendment of five laws concerning establishment of local administrative organizations. Even though the 2006 coup abrogated the 1997 Constitution and led to the enactment of the 2007 Constitution, the same principles of decentralization and local governance remained (Tanchai & Meesuk, 2014, p. 108). Meanwhile, there have been some amendments or changes to the existing decentralization laws (Tanchai, 2014, pp. 213-214).<sup>1</sup> Between the 1997 and 2007 constitutions, there were very few amendments to the structure of the laws related to decentralization to the local government organization (Tanchai, 2014, pp. 213-124).<sup>2</sup>

From the coup and the abrogation of the 2007 Constitution by the National Council for Peace and Order (NCPO), through the election in March, 2019, the government under General Prayut Chan-ocha exercised authority from 2014 to the present. General Prayut Chan-ocha as head of the NCPO was empowered under Article 44 of the Constitution of the Kingdom of Thailand (Interim), 2014, to “order, suspend, stop, or take action regardless of legislation, administration, or judiciary, and the order or action under Article 44 shall be considered ultimately legal and constitutional.” The Prayut government continuously ran the national administration with the exercise of full power in decision-making and implementation of policies, different from the authority of elected governments. The suspension of political and electoral activities at both the national and local level as well as the exercise of total power have been criticized as dictatorial. The absolute power, the nontransparent public administration, the lack of the supervision units, the lack of balance of power between legislative and judicial bodies, and the obstruction of elections at both the national and local level have been criticized for affecting advancement of democracy in Thailand. According to the survey conducted in 2019 by Freedom House, Thai democracy is “Not Free” (Freedom House,

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<sup>1</sup> The major amendment in this era was to Section 30 of the Determining Plans and Process of Decentralization to Local Government Organization Act, 1999. The amendment reduced the proportion of total government revenue that was to be allotted for spending by local government agencies. By 2006, local government agencies were supposed to receive at least 35% of the total government revenues.

<sup>2</sup> Since the promulgation of the 2007 Constitution, there have been amendments on establishing local government organizations, and there are only four announcements of the decentralization plan to the local government organizations, specified with the action plans of the decentralization process.

2019). Similarly, The Economist Intelligence Unit (EIU) ranks Thailand 68 out of 167 countries, with a score of 6.32 on the EIU Democracy Index. (The Economist Intelligence Unit, 2020).<sup>3</sup>

Since the 2014 coup, decentralization and local governance in Thai administration have been in decline because the government is working toward centralization of political power and administration to create unity for the central government. Mechanisms of centralization and regional administration are relied upon in providing public services and solving problems according to the government policies instead of local government organization mechanisms. Since 2014, there has been a temporary suspension of the democratic mechanism of elections of representatives at the local level including local council members and local administrators in municipalities, tambon administration organizations, and provincial administrative organizations. In the case of local council members or local administrators who completed their terms while the country was under NCPO rule, there were announcements to seek government officials to be appointed as local councilors to fill the vacant positions (Tanchai & Meesuk, 2014). Even though the NCPO later decided to enact a new order to allow local officials whose terms were expiring to remain in their positions, the coup administration showed its intention to dramatically reduce the roles of elected local representatives. Despite the 2019

general election for members of the House of Representatives, local elections are far from being a reality.

In addition, the development and enactment of the 2017 Constitution led to the amendment of the laws on the principles of decentralization and local governance. The constitution drafting processes was criticized due to lack of public participation, and this restricted, military-administered process has led to suggestions that the 2017 Constitution will have a negative impact on decentralization. In comparison, the 1997 Constitution was drafted in a more inclusive and independent atmosphere (Crouch, 2019, p. 495).

There are three aspects to the new landscape of decentralization and local government created through the enactment of the 2017 Constitution and its accompanying legislation. First, public administration under General Prayut emphasizes public policies under central and regional administration mechanisms instead of those of local government organizations. Second, political power has been centralized following the 2014 coup, despite the 2019 election in which many political parties offered proposals to solve the problem of centralization and to promote decentralization and local governance. Third, with General Prayut selected by elected parliamentarians to remain prime minister, the direction continues to be towards centralization.

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<sup>3</sup> EIU surveys during the period of NCPO rule between 2014 and 2018 found that Thailand's democracy scores and rankings were at a low level. In the last three years, Thailand has received less than half of the total possible points. Following the election in 2019, Thailand received better scores on the survey.

### Three Aspects of the New Landscape of Decentralization and Local Governance in Thailand after the Enactment of the 2017 Constitution

#### Changes in the Legal Landscape

The law is a very important mechanism for decentralization and local governance in Thailand. Those who are involved in decentralization try to determine and frame the concepts and interpretations of directions in enacting the constitution with relevant laws and regulations regarding decentralization. The constitution is the result of power bargaining among those involved in each political period (Chamarik, 2006).<sup>4</sup> However, those involved in the enactment of the constitution considered some things that actually happen in the context of the constitutional drafting process, especially from political regimes and from experiences in historical comparison. Besides, the drafters are obligated to calculate the political possibilities and opportunities based on the constitution they draft. Conflict in the context of international political culture is the product of the constitutional drafting process framed with a variety of constitutional visions, options, processes of participation, and other democratic issues (Klug, 2019, pp. 48-49). To sum up, the drafting process of the constitution is greatly influenced by various contexts, participation, and bargained by various groups far from the actual context. Those influences impact the resulting constitution's ambition regarding the political system and outcomes.

The 1997 Constitution included features not seen often in the Thai democratic and political atmosphere. In the trend of decentralization driven by academics, government officials, and politicians after Back May, 1992, the drafting process of that constitution focused on decentralization and local government in order to reduce the centralization of the central and regional bureaucracy, and decentralization was considered part of expanding the rights and freedoms of the people by means of self-government by local people (Chareonmuang, 1997; Chatchawan, 2012). The 2017 Constitution's provisions on decentralization and governance resulted from a different atmosphere than that of the previous era due to dominance of power on centralization and integration for national security. Mechanisms of local governance are, therefore, examined and supervised to respond to the orders from the central government.

#### *Changes from the Constitution*

The 2017 Constitution emphasizes changing the principles of decentralization and local governance. Although the constitution inherited all of the important principles from the 1997 and 2007 constitutions, such as the independence of local government organizations, various forms of local government organizations, empowerment of local administrative organizations to provide public services with some supervision as necessary, and public participation in local administration through local elections, the 2017 Constitution was revised to be more concise as seen in the decision to place a larger number of detailed

<sup>4</sup> The Constitution is considered a reflection of the power and its relationship to authority.

principles of decentralization in organic laws instead because they are widely recognized and practiced. This has raised many questions of whether the missing constitutional details will undermine decentralization in practice.

The essence of the 2017 Constitution, Chapter 14, Local Administration is as follows.

1) Section 249 of the Constitution, on Forms of Local Administrative Organizations, stipulates that when any form of local government organization is established, the local people's capacity of "self-governance" shall be taken into account in terms of 1) the revenues, 2) the size of the population, and 3) the geographical area of the jurisdiction. This section also implies the possibility to change the form of a local government organization, to establish new forms, and to amalgamate or separate local government organizations. The three aspects of the criteria correspond to previous reform of the local government organizations that attempted to merge the small local government organizations with insufficient revenue and capacity on the assumption that amalgamated, large local government organizations would be more efficient than small ones. There have been attempts to promote new forms of local government organizations in various cities with the proposals from both local authorities such as Mae Sot Municipality (Mae Sot Municipality

Office, 30 January 2020)<sup>5</sup> and from the central government with an intention to merge all small tambon administration organizations that have insufficient revenues and small populations (Post Today, 27 February 2017).<sup>6</sup> However, both the merging of the small local government organizations and the establishment of new forms of local government organizations have been criticized for lacking public participation in the local area, especially wherever the direction of centralized administration is emphasized.

2) Section 250 of the 2017 Constitution, addressing public services and activities, stipulates that local government organizations have the duty and authority to oversee and provide public services and activities for the public in accordance with the principles of sustainable development consistent with the revenues of the local government organizations. The previous constitution required local government organizations to provide the "public services" according to the law, and the types of "public services" must be in accordance with the Decentralization Act, 1999 and the Local Administrative Organization Act. The uniqueness of the current Constitution is the clear separation between "public services" and "public activities". As a result, the local administrative organizations are allowed to support many local public activities, especially those related to the preservation of

<sup>5</sup> Mae Sot Municipality has been proposing its special form of a local government agency for a long time with an attempt to propose the law to upgrade the status of the city to be in line with area-based development.

<sup>6</sup> The National Reform Steering Assembly (NRSR) proposed to integrate tambon administration organizations with a total population of less than 7,000 people and income from taxation or other fees of less than 20 million baht per year excluding the subsidy from the central government into municipalities.



arts and culture, religious celebrations, and local rituals. In the past, the local government organizations were unable to spend their budgets for organizing such local activities because they were not considered to be in accordance with the laws and objectives concerning local government organizations. This restriction could not be avoided because the State Audit Office examined the local government organization budgets. Thus the term “public activities” was included in the 2017 Constitution to solve this limitation on allocating the budget.

Section 250 of the 2017 Constitution requires that provision of public services and public activities must accord with the “principle of sustainable development.” At present, there is no clear definition, scope, or content of this principle. As a result, there are many questions of interpretation regarding which organization holds the authority to supervise these responsibilities of a local government organization, such as the Department of Local Administration, Office of the Auditor General of Thailand, or the Office of the Council of State. The controversial interpretation will fall on the terms of public services or public activities. There is a possibility that new interpretations and definitions may limit the scope of public services and public activities, similar to what has occurred previously in the interpretation of “commercial affairs” (Woothisan Tanchai et al., 2015, pp. 267-272).<sup>7</sup>

3) Joint operations or assignments with the private sector or other government agencies under Section 250 allow local government organizations to provide public services or public activities through the private sector if it is more practical. This section of the Constitution provides opportunities for local government organizations to do as follows:

- A. Public services and public activities can be organized and provided in collaboration with the private sector or by the private sector if the private sector has the better potential and operational readiness to organize and provide these services and activities than the local government organization itself. The private sector is allowed to operate such services and activities with flexibility consistent with government regulations as well as with a cheaper fee than those run by local government agencies. In the past, local government organizations were able to work with private entities in a limited way such as outsourcing to reduce the administrative costs to local government organizations for things such as cleaning, organizing art and cultural activities, and renting spaces such as meeting rooms and market spaces for organizing activities according to local needs. This section of the constitution may make it easier for

<sup>7</sup> The Office of the Council of State has ruled the cases of providing cable TV services in Mae Sot Sub-district Municipality and Laem Chabang Sub-district Municipality to be terminated because the service is in competition with the private sector under the 1997 Constitution, resulting in the Department of Local Administration to use the same ruling to interpret the commercial operation of the local government organization to be in conflict with the Constitution.

local organizations to cooperate with the private sector, in a variety of forms including limited companies owned by local people and local government organizations, to provide public services, and even to grant concessions to the private sector to carry out activities on behalf of the local administrative agencies.

- B. Some public services or activities are controlled and must be provided solely by or in collaboration with government agencies, such as electricity, telecommunications, large scale hospitals, and higher education. Although there are some private agencies offering the services, many government agencies with expertise in providing those public services or activities can be assigned if needed in the area. Some public services and activities are to be provided in collaboration with government agencies or assigned to government agencies.

4) Section 250 also addresses system of taxation and allocation of tax revenues. It stipulates that the government is required to facilitate local government organizations to have their own revenues through an appropriate tax system and tax allocation. To support local government organizations to allocate their own revenues is to guarantee an important principle carried over from the 1997 to 2007 constitutions. In the same section of the 2017 Constitution, the public services and public activities specifically assigned to a local government organization as the main unit of operations in accordance with the law must be “consistent with

the revenues of the local government organization.” The enactment of the laws means to determine the types of public services and public activities for each level of a local government organization according to its revenues. If a local government organization has a high level of revenues, it may be able to determine more types of public services and activities. In contrast, a local government organization with a low level of revenues may not be able to provide some types of services and public activities for the local people. The advantage of this policy is to prevent a local government organization with insufficient capacity to be obligated to provide the public services or public activities according to the law. However, the disadvantage is the limitation of determining the services or public activities that may be necessary due to different needs in each area.

5) Section 249 addresses independence and supervision of local government organizations, stipulating that local administration is to be organized in accordance with the principle of self-government corresponding to the will of the local people. In addition, Section 250 of the 2017 Constitution echoes provisions of the 1997 and 2007 constitutions when it specifies that local government organizations are independent in administration to provide public services, support education, and control budget management. Regulation by central government is required only if necessary. The scope of the supervision under the 2017 Constitution includes: 1) the local people’s interests, 2) the country’s overall interests, 3) prevention of fraud, 4) efficient spending, and 5) suitability and differentiation in forms of

local government organizations. These broad principles of central and regional government agencies emphasize the supervision over local administrative organizations. However, the direction of governing local government organizations has been criticized for the supervision affecting the independence of local government organizations, such as the State Audit Office (SAO) having discretion to consider and interpret whether any public service is legitimate, resulting in budgets being withdrawn from many local administrative agencies.

In addition, it is noted that the words to indicate the independence of local government are removed from this constitution as follows: 1) the inconsistency of writing phrases of the independence in the two separate sections, Section 249 and 250, instead of one section different from the 1997 and 2007 Constitution; 2) no term of "Decentralization" in all sections and no Section 14 on the plan and the decentralization process as used in the 1997 and 2007 Constitution,<sup>8</sup> and 3) the term "local independence" eliminated from Article 249 in the 1997 and 2007 constitutions, but

appearing in "Section 1 on local government in accordance with the principles of self-governance according to the will of the local people."<sup>9</sup>

6) Section 251, on personnel administration, requires that the local government organization has its own personnel administration based on the morality and suitability corresponding to the standard as well as its own authority to develop its own system or transfer personnel among local administrative organizations. In addition, there are provisions to prevent the interference in the work of local government officials under Section 250 and 251 where the purpose of the 1997 and 2007 constitutions is maintained. Section 251 resolves confusion by using the term "personnel" of local government rather than terms such as "government officials" and "employees" so the section will cover all types of personnel in local government agencies.<sup>10</sup>

However, the 2017 Constitution does not specify several aspects of local government personnel administration that were addressed in the 2007 Constitution:

<sup>8</sup> The 2007 Constitution, Article 284, Paragraph 3, states that "there is a law to set plans and procedures for decentralization as well as to determine the division of power, duties, and revenue allocation among the central and regional government agencies, local government organizations, and groups of local government organizations with regard to increasing power distribution by level. The capacity of each local government organization is measured and supervised with a committee consisting of representatives from relevant government agencies, representatives of local government organizations, and experts in the same number to make a decision in accordance with the law."

<sup>9</sup> Section 281 of the 2007 Constitution states that "under Section 1, the state must provide independence to administrative organizations and local government agencies in accordance with the principle of self-governing according to the will of the local people while promoting the local government organizations as main units in providing public services and participating in decision-making to solve problems in the area."

<sup>10</sup> But Article 250 of the 2017 Constitution uses the term "government official" to refer to local administrative personnel.

1) the appointment and removal of local personnel, 2) the selection commission of local government agencies, and 3) the transfer, promotion, remuneration, and punishment for the personnel of local government agencies. These details of human resource management are not specified to leave the constitution more concise. It is also noted that this constitution does not emphasize that “the appointment and removal of local personnel must be in accordance with the suitability and necessity of each area” as stated in the 2007 Constitution.<sup>11</sup>

7) Section 252, on election of local council members and local administrators, requires that local council members must be elected while local administrators may either be elected or installed by approval of the local council. With this section, the principles of obtaining the members of the local council and the local administrators are still related to elections by the people; however, there are some local administrators selected by the council or local council members.

Section 252 has been noted for opening gaps that affect local elections in three ways. First, the opportunity for special forms of selecting local government

administrators allows “other methods” to be exercised different from those specified in the 2007 Constitution, where a special method to select local government administrators involved a local administrative committee elected by the people.<sup>12</sup> Although the intention of “other methods” is to allow local government organizations to seek professionals for positions with the approval of the elected local council members, such as in a city manager system, it is still an issue to keep an eye on whether or not the legislation allows the special selection to be connected to the will of the local people. Second, the terms of local administrators is specified differently from that set out in the 2007 Constitution, where the term of the position is four years. Although there are advantages to allowing local administrators to have different positions according to local characteristics, there are many problems in determining the appropriate term in the future. If the term is too short, the administration may not be unified in time. If the term is too long, there may be a large amount of influences on the local work. Lastly, permanent government officials are not specifically prohibited from becoming local administrators, which is different from that clearly specified restriction in the 2007 Constitution.<sup>13</sup>

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<sup>11</sup> Article 288, Paragraph 1 of the 2007 Constitution stipulated that “appointment or removal of government officials and employees of the local government organization must be in accordance with the suitability and necessity of each area.”

<sup>12</sup> Section 284, Paragraph 9, of the 2007 Constitution stipulated that “the establishment of a special local government organization with different administrative structures as provided in this section requires the local council members or local administrators to be elected.”

<sup>13</sup> “Section 284, Paragraph 6, of the 2007 Constitution stipulated that “the local administrative committee or local administrators who are government officials with a permanent position or salary in government agencies, state enterprises, or local government agencies shall not hold a conflict of interest as provided by law.”

8) Section 253, on public participation, requires local government organizations to disclose information and report operating results to the public through the establishment of people's participation mechanisms. Section 254 stipulates that citizens are able to submit proposals for local ordinances or removal of council members or administrators. Both of these principles remain similar to those in the 1997 and 2007 constitutions. However, the 2017 Constitution does not specify a provision for a public referendum for any action of local government organizations affecting the people's lives different from that clearly defined in the 2007 Constitution in different areas (Tanchai & Meesuk, 2016, p. 90).<sup>14</sup> Article 253 of the 2017 Constitution only states that "there is a mechanism for local people to have participation". The broad definition requires legislation to enact rules and methods of public participation. Therefore, it is not certain that in the future there will be a law requiring referendum as a method to involve people's participation at the local level.

### *Law on Local Elections and Local Administrative Organizations*

After the enactment of the 2017 Constitution, new legislation concerning local elections was enacted including the Election Act for Local Council Members or Local Administrators, 2019; five types of laws on local government organizations were amended including municipalities, tambon

administration organizations, provincial administration organizations, Pattaya City, and Bangkok. In the same year, the following major revisions affecting independence and strength of local administration agencies were also made.

1) There is no specific term of office for local administrators in tambon administrative agencies, provincial administrative agencies, or municipalities, probably resulting in a monopoly of influence in administration due to the long term of the position. However, the law provides for a two-term or eight-year term limit for politicians at the national level, such as the prime minister, ministers, or members of the House of Representatives, different from the local level. It is obvious that there is a lack of consistency concerning the terms of political positions.

2) One amendment prohibited all five types of local government organizations from allocating their budgets, or funds from businesses owned or shared by local government organizations, towards training or field trips abroad for persons holding local political positions unless there is an agreement or cooperation with a foreign agency or the training is organized by a government agency to provide training or study abroad. This prohibition is to prevent unnecessary expenditure. There are a few issues regarding this prohibition: 1) no law prohibits central or regional government agencies from using their budgets for

<sup>14</sup> Section 287, Paragraph 2, of the 2007 Constitution, stipulated that "In the case that the actions of the local government organizations affect the local people's life in essence, the local government organizations must provide detailed information to the public before taking action for a reasonable amount of time. If deemed appropriate or requested by the people who have the right to vote in the local government organizations, there must be a hearing or votes from people in a referendum to make a decision before the action as provided by the law."

training or observation abroad; and 2) no law prohibits the use of budgets for training or observation abroad for permanent government officials or local government organization employees who are subordinates of local politicians.

3) Local elections were made to depend on the decision of the NCPO. The Act on Elections of Local Councilors or Local Administrators, Article 142, stipulates that “the first local election for members of local councils or local administrators of any local government organization after this Act enters effect must come from the approval of the NCPO through the Election Commission.” Although the NCPO ceased to exist following the 2019 election, the authority to decide to hold local elections has been transferred to the new government, which is headed by the former head of the NCPO, General Prayut Chan-o-cha. The government has not yet announced local elections, so there have been no local elections in Thailand since 2014.

### **Changes in the Landscape of Government Administration**

The aforementioned changes in the constitution and the law are some of the main factors affecting the landscape of government administration. The direction of government administration after the 2014

coup resulted in authoritarianism with greater roles for the military and the bureaucracy in politics and government administration. The roles of elected political parties and civil society at both the national and local level were diminished. In this respect, the situation is the same as during the era of authoritarianism in 1960-1970, which many scholars call “bureaucratic polity” (Phojanalawan, 2015, p. 45).<sup>15</sup> This system emphasized centralized power among government officials in the central and provincial sector under the leadership of military dictators in cooperation with bureaucrats. The power to control directly plays a higher role in government policies while the roles of the local government agencies are reduced. Although, a government budget after 2014 showed an allocation of more revenues to local government agencies (Office of the Decentralization to Local Administrative Organizations, 2013).<sup>16</sup> It can be said that this kind of operation is a return to the centralization of public administration or “re-centralization” through the national strategy by using more provincial government mechanisms than local mechanisms with area-based management under the central and regional government system.

<sup>15</sup> The status of decentralization in Thailand after the regime of authoritarianism can be compared to that after the coup of Field Marshal Sarit Thanarat in 1957 when there was an amendment of the law allowing the Municipal Executive Boards of municipalities to have complete administrative power by reducing the power of council members who were the representatives of the public, drawing the power to allow the government to appoint members of the provincial councils, Municipal Executive Boards, and mayors, along with an enlarged role for the Ministry of Interior in overseeing local government organizations as a commanding mechanism of the bureaucratic system.

<sup>16</sup> The proportion of local government revenues to central government revenues has increased from 572,670 million baht, or 27.37% of the total government revenues in 2014, to 751,485 million baht, or 29.47 % of the total government revenues in 2019

### *Implementation of the National Strategy*

The 2017 Constitution assigns the state to have a national strategy with national development targets to integrate the framework for creating plans and projects of the government agencies. As a result, the government led by General Prayut Chan-ocha established the 2017 National Strategy Act. Article 5 of the law requires a 20-year national strategy with national development targets. All government agencies have the duty to achieve the national strategy. The policies are to be developed by the Cabinet and government agencies to prepare an annual budget consistent with the national strategy. Section 10 also requires a master plan to be used to achieve the goals of the national strategy, and all government agencies must prepare an annual budget consistent with the master plan.

In addition, the National Strategy Law's Articles 25 and 26 have set up a system for monitoring and supervising the implementation of the national strategy, empowering members of the House of Representatives, senators, and the National Strategic Committee to ask the National Counter Corruption Commission (NACC) to investigate cases of alleged corruption in order to suspend or remove wrongdoers from political positions. It is possible that if the state pursues a project inconsistent with the national strategy, government agencies may be punished in accordance with Articles 25 and 26.

Subsequently, the government has developed and adopted the 20-Year National Strategy (2018-2037) by specifying the

desired vision: "Thailand is stable, prosperous, and sustainable as a developed country under the philosophy of sufficiency economy." The government agencies' adherence to the national strategy has had the following effects on the operations of local government organizations.

1) Implementation of the national strategy consists of six aspects: 1) Security, 2) Competitiveness, 3) Development of Human Resources and Capacity Enhancement, 4) Opportunity and Social Equality, 5) Creating Growth and Environmentally-Friendly Life Quality; and 6) Balance and Development of Government Management System. These six aspects require the actions, policies, projects, and budgets in accordance with the national strategy under Articles 25 and 26. Local administrative organizations have less independence in determining the direction of their own areas, so it is difficult for them to formulate strategies, project plans, and budgets as necessary in the local context in ways that correspond to all six strategies. There is a risk that local administrative organizations may be seen as not implementing the national strategy.

2) The content of the national strategy and master plan describe the need for decentralization and local governance. In Strategy No. 6 on the aspect of balancing and developing government management systems, and in No. 4.3.3, decentralization and the role of local communities are promoted and supported so that local administrative organizations can be highly effective based on principles of good

governance.<sup>17</sup> Other plans under the national strategy are to involve local government organizations in their implementation,<sup>18</sup> especially those related to the provision of public services according to the powers and duties of local government organizations such as the Master Plan for Human Potential throughout Lifetime, the Master Plan for Learning Development, the Master Plan for Strengthening Thai Health, and the Master Plan on Equality and Social Security.

However, the following two important master plans affect the direction of developing local administrative organizations.

#### **A. The Master Plan on Public Services and Efficiency of the Public Sector.**

The balanced public administration is to drive the national strategy. The Thai bureaucratic system should help modernize the system to have an appropriate capacity for the mission with high performance to solve problems and meet the needs of the people. The master plan aims to provide efficient and quality government services acceptable to the users. The government sector has implemented effective methods by introducing innovation and applied technology.

The details of this master plan related to decentralization should support

the government sector by providing opportunities to other sectors such as “public sector, private sector, or civil society to lighten the burden and solve problems to meet the needs of the people in the area” (Office of the National Economic and Social Development Council, 2019, p. 78). The specific indicators involve two areas: 1) the level of success and openness to other sectors to operate public services; and 2) the assessment for the municipality and tambon administration organizations involving community plans to local development in accordance with the criteria (Local Quality Management: LQM).

It is obvious that the master plan has no clear targets, details, or indicators regarding decentralization or transfer of missions in providing public services to the local administration and it avoids the use of the term “open to other sectors to take action.” The in-charge party does not mention local government organizations or any indicators to enhance the efficiency of local government organizations. The master plan is, thus, different from the National Strategy No. 6, which clearly addresses “promoting decentralization and enhancing the roles of local communities in local administrative organizations.”

<sup>17</sup> 4.3.3 Promoting decentralization and supporting the role of local communities for local administrative organizations to be highly efficient agencies based on good governance. In order to prepare public services and public activities, a strategic role at the local level must provide opportunities for various forms of public services with a suitable tax system and local revenues to develop the budget for carrying out the activities in response to problem-solving and area development by taking the interests of the communities, the country, and the people of all ages and genders in the local area into account.

<sup>18</sup> Such as Strategy No. 5 in order to improve environmentally-friendly quality of life. 4.6.2 Developing mechanisms and systems of justice according to the democratic environment and proposing “decentralization to strengthen the community organizations, civil society, and local government organizations in the conservation of natural resources and the environment.”



## B. The Master Plan for Intelligent Livable Cities.

Population growth in urban areas requires infrastructure and technology to enhance the quality of life, environment, economy, and management. Development should not just be centered and concentrated in Bangkok and its surrounding provinces. There should be links with neighboring countries and nearby cities. The plan consists of three goals: 1) Thailand achieves higher competitiveness as the center of economic and social prosperity in all regions of the country allowing distribution of social and economic possibilities; 2) Thailand has an ecological plan as a framework for the development of livable cities, stable rural areas, sustainable agriculture, ecologically-friendly industries, and conservation of natural resources and archaeological sites; and 3) a smaller development gap between areas (Office of the National Economic and Social Development Council, 2019, pp. 24-25).

This master plan consists of two sub-plans: 1) Smart City Development

divided into cities with economic centers and comparable potentials to large international cities and medium-sized cities equipped with the basic infrastructure comprehensively developed on the standard with less inequality of development among all the target areas; and 2) urban, rural, agricultural, and industrial development managed according to the sustainable ecological plan by prioritizing cities for development with goals referred to in Table 1 (Office of the National Economic and Social Development Council, 2019, pp. 26, 28).

The master plan has designated the target cities, but there are many cities inconsistent with the scope of development. Problems may arise in the future, such as inequality in development. In addition, the extensive development may not be consistent with the context over time. When the master plan is finished, the results of the development may not be in line with the expectation or occurrence as referred to in the master plan.

**Table 1**

*Targeted Cities in the Development Areas according to the Master Plan of Livable Smart Cities*

2018-2022	2023-2027	2028-2032	2033-2037
<b>Economic Center with Development of Economy, Residential Areas, and Special Areas</b>			
6 cities (Bangkok and suburbs, Chiang Mai, Khon Kaen, cities in the Special Area of Eastern Economic Corridor, Songkhla, and Phuket			

2018-2022	2023-2027	2028-2032	2033-2037
<b>Mid-sized Cities with Development</b>			
	7 cities (Chiang Rai, Kanchanaburi, Phra Nakhon Si Ayutthaya, Phitsanulok, Nakhon Ratchasima, Nong Khai, and Mukdahan)	7 cities (Surat Thani, Nan, Udon Thani, Ubon Ratchathani, Buri Ram, Nakhon Sawan, and Saraburi)	6 cities (Roi Et, Sakon Nakhon, Krabi, Yala, Ratchaburi, and Lampang)
<b>Smart Cities</b>			
5 cities (Bangkok and suburbs, Chiang Mai, Khon Kaen, Songkhla, and Phuket)	4 Additional Cities	4 Additional Cities	4 Additional Cities
<b>The Standard Quality of the Urban Environment</b>			
5 cities (Bangkok and suburbs, Chiang Mai, Khon Kaen, Songkhla, and Phuket)	12 cities (Phase 1 and 2)	19 cities (Phase 1-3)	25 cities (Phase 1-4)
<b>Conservation, Restoration, and Development of Natural Resources/ Architectural Heritages/ Arts/ Cultural Identity/ Local Life based on the Sustainable Nature and Culture in the Area</b>			
At least 3 provinces in 1 Region	At least 3 Additional Provinces in 2 Regions	At least 6 Additional Provinces in 2 Regions	At least 6 Additional Provinces in 2 Regions

Source: Office of the National Economic and Social Development Council, 2019, p. 26, 28

### *Using Mechanisms of Central and Provincial Administration*

In addition to developing a national strategy to direct the operations of government agencies, the government led by Prime Minister General Prayut Chan-o-cha has placed great emphasis on public administration and policy implementation through central and regional mechanisms. The obvious example was the Sustainable Thainess Project (*Thai Niyom Yangyuen*) in accordance with the Cabinet's resolution on

January 30, 2018, where the Cabinet acknowledged the implementation of the country's development-driven project and provided "every ministry and government agency integrated collaboration and supporting operational mechanisms at all levels" (Ministry of Interior & National Institute of Development Administration, 2019, p. 3). The Ministry of Interior acts as the secretariat of the National Steering Committee for Development for the Sustainable Thainess Project for integrating government agencies, implementing the

development and correctional programs on economic, social, and security issues, raising awareness among villagers and communities, and sharing project-based mechanisms to drive the administration of the central and the regional government at four levels: national, provincial, district, and community (Ministry of Interior & National Institute of Development Administration, 2019, p. 4). Moreover, Interior Minister General Anupong Phaochinda, as the chairman of the Sustainable Thainess Project, responsible for providing guidelines for driving national development, addressed the policy to the officials of the Ministry of Interior about the importance of the provincial government system through the mechanisms of provinces and districts in “commanding” village headmen and sub-district headmen and “supervising” local government organizations along with central government agencies such as the Department of Provincial Administration which is leading the project.

As mentioned, the importance of deputy governors and deputy district chiefs is considered as an important mechanism in the area. The emphasis of the implementation as well as the roles and responsibilities of the deputy district chiefs in the provincial administration, supervision of heads of sub-districts, village headmen, and supervision of local administrative organizations, is to integrate all the work in each local area such as waste management, local markets, and public lands. The Department of Local Administration has moved forward on the Sustainable Thainess Project to drive

all the government's work in the area. The 878 districts around the country have continued integrating government agencies in the areas under the national development team with the Sustainable Thainess Project. (Information Division, Office of the Permanent Secretary, Ministry of Interior, 2019)

The local governing system is considered one of the provincial mechanisms of the Ministry of Interior under the Local Governing Act, 1914. This governing mechanism starting from sub-district level to villages has existed since Thailand's absolute monarchy period. The current government has continued supporting the existence of local governing mechanisms where village headmen and assistant village headmen are key in the implementation of government policies at the local level. Besides the support from the current government, there is an attempt to dispose of the Municipality Act, 1953, Article 4, Article 12, and Article 48, which terminates the positions of sub-district headman, village headman, assistant headman, sub-district medical practitioner, and assistant village headman when the status of a sub-district municipality is changed to city municipality or town municipality. These positions can be dissolved by the minister of interior if no longer needed. As a result, there has been opposition to the dissolution of these positions and a request to amend the Municipality Act. Mr. Yongyot Kaewkeaw, Chairman of Village Headmen's Association of Thailand, urged the chairmen of the association in every province to submit a letter to the prime minister, the minister of the interior, and the permanent secretary for

interior to object to the dissolution of the positions because the laws on municipalities should not overlap with the laws on local governance. Moreover, Mr. Chatri Chanwirachai, the permanent secretary of Ranong Province and a provincial official, considered sub-district headmen and village headmen necessary because the central government and provincial government in the area is encountering many problems of cooperation with municipalities, leading to many obstacles in supervision, especially in cases of expediting orders (Matichon Online, 4 August, 2019). After discussions among Interior Minister Anupong Paochinda, Prime Minister Prayut Chan-ocha, and Deputy Prime Minister Dr. Wissanu Krea-ngam, the resolution was “agreed in principle” to amend the Municipality Act B.E. 2496 and allow all the promoted municipalities to have sub-district headmen and village headmen in every area again. Anupong said,

*I would like to ask the governor to let village headmen know that they are not only to be responding to the governor, but also work for the people in the area. If the administrative mechanisms through village headmen do not work out, the central government may not want to pay for the position. These mechanisms may be discarded. Therefore, the governor must adhere to this concept well so that problems are to be solved in the area properly, especially drug problems. In this world, there is no place where people are hired to beat each other. Some take sides and bring conflicts to the local people. This conduct is wrong. Village headmen must remain*

*impartial and teach people to avoid political conflicts. I reassure you that there is a process of amending the law. In short, once there are local government agencies, there will be a position of village headman. We have lost 721 personnel before, and we will fix this. (Matichon Online, 2019)*

### *Area-based Management*

Although the concept of area-based management is the key to development by focusing on problems or needs in the area as a primary consideration, developing the integrated mechanisms suitable for the needs of the area requires stakeholders to work together and make decisions. The resources and skills available in the area are to be relied on to allow the stakeholders to work together and focus on collaborative work with certain interests (A Healthy Tasmania, 2012, p. 5). The government, private sector, civil society, citizens, and international organizations at the national, regional, and local level are to work together to solve problems specifically for the area. When there are different problems, they will use different mechanisms for their interest. If a local problem is an epidemic, the local resolution or mechanisms should belong to the stakeholders in public health. If there is a concern about quality of educational personnel, the relevant stakeholders are those working in the field of education, parents, and students.

Trends in government administration at present are on the use of area-based management where all sectors are involved to solve problems in the local area. It is a way to help reduce the condition of inconsistent directions where the people

involved are working according to the bureaucratic system power consolidated in the central and provincial government. The bureaucratic agencies still lack the sense of cooperation among ministries or departments on missions that require teamwork to solve problems. Despite area-based management, public administration maintains the role and status of central and regional government agencies as the key stakeholders in the area-based management mechanisms, different from the direction of decentralization and local governance in the 1997 Constitution where the roles of central and regional government were to be reduced and the power of local administrative organizations was to be increased to take care of the area.

Area-based management by the government since 2014 has relied mainly on the central and provincial government supervision according to the related policies under the regulations of the Prime Minister's Office on Integrated Area-Based Administration, 2017. The hierarchical and centralized area-based management mechanisms from the region, provinces, and provincial groups take the form of committees at all levels including Committee of Integrated Regional Development Policy, Committee of Provinces and Provincial Groups Administration Policy, Committee of Integrated Provincial Group Administration, and Committee of Integrated Provincial Administration. According to the announcement from the Committee of Provinces and Provincial Groups Administration Policy regarding the establishment of provincial groups and operation centers of provincial groups (No.

3) reveals, there are provincial groups with 18 designated operations centers in six regions.

### **Changes in the Political Landscape**

The 2019 election involved many political parties and heard several policies proposed to create decentralization and local governance. The proposals aimed at raising the potential of local governance and increasing local budgets. For example, Chart Pattana Party proposed additional subsidies to local administrative organizations, Chart Thai Pattana Party offered an increase of investment budget by 10 million baht as well as local power and self-reliance, the Democrat Party suggested provincial governors, Future Forward Party proposed increasing the local budget to be equal to the central sector, and Palang Pracharat Party promised the development of primary and secondary cities in line with the master plan as well as the Livable Smart City Project according to the national strategy reflecting the huge weight on the central administration and regional bureaucratic system (Thai PBS, 2019).

After the election in March 2019, parliament elected Prime Minister General Prayut Chan-o-cha to return as prime minister. The new cabinet led by Palang Pracharat Party includes many of the previous ministers from before the 2019 election. The current government has run the administration and policy with the same central and regional mechanisms in the political context with lack of support for decentralization despite the fact that there are political parties in the coalition government that proposed decentralization policies during the campaign.

**Table 2**

*Campaign for Decentralization and Local Government Policies from the Political Parties in the 2019 Election*

<b>Political Party</b>	<b>Campaign</b>
<b>Chartthaipattana Party</b>	<ul style="list-style-type: none"> <li>- Decentralization to local government organizations includes decisions on allocating budgets by the local government organizations themselves</li> <li>- The subsidy to every local government organization is to increase to the amount of 10 million baht</li> <li>- Comprehensive administrative centers are to be set up in designated areas</li> </ul>
<b>Chart Pattana Party</b>	<ul style="list-style-type: none"> <li>- The subsidy to support local administrative organizations is to increase by 35 percent within 1 year</li> <li>- The allowance for the village headmen and sub-district headmen is to increase to 2,000 baht per month</li> </ul>
<b>Democrat Party</b>	<ul style="list-style-type: none"> <li>- Driving local administration in each province with the election of the provincial governor</li> <li>- Upgrading E-government services and reducing central government jurisdiction</li> <li>- Creating flexibility for local government organizations by transferring missions, budgets, and personnel to the local agencies</li> <li>- Establishing local revenues and laws to increase independence of local administration</li> </ul>
<b>Palang Pracharat Party</b>	<ul style="list-style-type: none"> <li>- Distribution of wealth to the regions with the Eastern Economic Corridor (EEC) Project</li> <li>- Isan 4.0, Lanna 4.0, and Southern Region 4.0</li> <li>- Development of 15 primary cities and 15 secondary cities</li> </ul>
<b>Pheu Thai Party</b>	<ul style="list-style-type: none"> <li>- Promoting autonomy of local government organizations through local revenues and budget management</li> <li>- Altering the roles of the central government from an operator with control to a supporter or a facilitator</li> </ul>
<b>Bhumjaithai Party</b>	<ul style="list-style-type: none"> <li>- Development of Buri Ram Model throughout the country to promote the strengths of each city for development as well as to create jobs and career opportunities</li> </ul>
<b>Future Forward Party</b>	<ul style="list-style-type: none"> <li>- Balancing budget allocations at the central and local level</li> <li>- Increasing local revenues from taxes and public service fees</li> <li>- Allowing local government organizations to be independent in allocating budgets and managing personnel</li> </ul>

**Source:** Thai PBS, 28 February 2019, Political Parties with the Purpose of Political Reform on Decentralization to Local Government. Retrieved from <https://news.thaipbs.or.th/content/278065>

In addition, the 2019 election, the first election since the 2014 coup, took place in a competitive and intensively polarized political context. Since the most recent coup, there have been conflicts of political thought between two sides, both leaders and the alliances, revealed through face-to-face interviews and protests on online social media. The parties consist of those who support the current government and the others who oppose the government and go against the military intervention. Ideas and policies different from those of the government are, therefore, applied to oppose the government and the coup. Decentralization and local governance policies are causes of the conflicts used in the election campaign.

As a result, some political parties highlighted decentralization in the electoral campaign to negate the central administration of the current government. For example, Future Forward Party proposed a policy of “ending the central bureaucracy,” reducing overlapping responsibilities among central/regional/local administration, increasing the proportion of local government incomes to 50% of the total government revenue, and establishing principles of decentralization in the constitution supposedly better than those under the 1997, 2007 and 2017 constitutions to allow the power of local government as the basis for the self-governance. The party also blamed the NCPO as an obstacle to decentralization. Under the 2017 Constitution, the authority to transfer any mission to a local government organization depends on the central government (Saengkanokkun, 2018). Future Forward Party Secretary General Mr. Piyabut Saengkanokkun also pointed out that

decentralization would avoid the central bureaucratic system and many obstacles initiated by the 2006 and 2014 coups.

*Thailand determinedly began decentralization under the 1997 Constitution with the laws, plans, and procedures for decentralization in 1999, but the coup on 19 September 2006 suspended the process. After the other coup on 22 May 2014, decentralization went backwards. With the seizure of power by National Council for Peace and Order, there were 19 announcements to limit decentralization especially through local elections as well as the dismissal of local administrators and councilors by the power of one person, the head of NCPO. (Saengkanokkun, 16 December, 2018)*

### **Summary: Future Direction of Decentralization**

From the 2014 coup to the present, the direction of decentralization to local government in Thailand has become re-centralization due to the 2017 Constitution and laws concerning local administration. The national strategy and the regional government mechanisms outweigh local administration mechanisms. Despite the political transition through the election, which saw campaigning on decentralization policies, Prime Minister General Prayut Chan-o-cha has continued his NCPO-era centralizing policies. Decentralization policies should be watched through the next decade to see whether there will be any political change in the future under new

leaders resulting in new policies on decentralization and local governance. With the constitutional framework at present and the existing laws, there are many limitations on any changes that future leaders would be able to make.



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# Issues and Concerns on Decentralization in Some Asian Countries: An Indicative Picture

*Karl Emmanuel V. Ruiz and Alex B. Brillantes Jr. \**

## Abstract

Decentralization as a governance strategy for public sector reform has been adopted by many countries all over the world, including those in Asia. It is assumed that decentralization, a process that brings the decision-making down to the lowest level possible in accordance to the principle of subsidiarity, will result in more responsive decisions, policies, programs and projects considering that they are closest to people. Decentralization, as an approach to good governance, enables people participation and citizen engagement, hence deepening democratization. Decentralization as a management strategy decongests higher levels of governments enabling them to focus on the macro while the sub-national institutions and local governments, localize them.

This paper discusses the decentralization experiences of selected Asian countries including India, Indonesia, Malaysia, Thailand, Vietnam, and the Philippines. It points out some common challenges they have encountered in the process of decentralization ranging from lack of resources, to poor capacities to resistance to decentralization by the central government, among others. Taking off from the experiences of the countries studied, the paper ends with some recommendations to deepen decentralization. It also highlights a framework that suggests four areas of reform that must

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be addressed in pursuing public sector reform. These areas include the imperatives to reform structures and institutions (and this includes decentralization), and reform mindsets and behavior. These are to be enabled by leadership marked by political will, and active citizen engagement which can be enabled by the decentralization process.

*Keywords:* decentralization, local autonomy, capacity-building, reform, citizen-participation, fiscal centralization

### **Issues and Concerns on Decentralization in Some Asian Countries**

Reorganizing, revitalizing and reforming public institutions has always been a primordial concern among Asian countries (Agrawal et al., 1995). This has largely been in response to the many challenges confronting governance in these countries ranging from over-centralization to excessive and disabling bureaucratic procedures that have bred corruption and inefficiencies in the civil service. This paper focusses on a strategy for public sector reform, i.e., decentralization, drawing from lessons of some countries in South and Southeast Asia, including India, the Philippines, Indonesia, Vietnam, Malaysia, and Thailand. It presents achievements and challenges that occurred in each country and seeks to identify and understand the underlying causes and issues on decentralization. The paper suggests lessons from their respective efforts in decentralization.

Decentralization has been a popular reform strategy in Asia since the eighties. Even if the influences that inspired decentralization are different across regions, there is one fundamental goal of enhancing the creation and distribution of public goods

(Shah & Thompson, 2004). Scholars and government practitioners reasoned that delegation of power and functions to local authorities were likely to nurture more locally-adaptive governance and empower public servants inclined to implement sound programs. Local inspection of government officers through citizen participation would also considerably lessen corrupt practices. However, there are also geopolitical considerations in the extent of decentralization. Multi-party politics compelled politicians to cultivate national coalitions to win elections. Decentralization is an opportunity for political parties to infiltrate and influence a government (World Bank, 2001). As a result, national governments are able to minimize responsibility during policy blunders (Ramesh, 2013).

### **Why Decentralize?**

In many developing countries like Southeast Asian nations and even in the developed world like Spain, there are social and economic conditions and needs that stand in stark contrast in different regions. Challenges like lack of accessibility to basic public services, small public budgets, government corruption, and lingering grievances may give rise to micro-ethnic nationalism and greater calls for autonomy and even outright separation from a larger

polity, to envision and strive for a desired future for a certain ethno-linguistic group. According to Nandwani (2018), devolving political power to local administrative bodies has been considered as a key governmental practice for public goods provision. By having a consultative arrangement, decentralization has also been held as one of the methods to lessen political tensions (Bardhan, 2002). Plentiful research studies have also affirmed that economic inequality, rivalries over limited resources, lack of ample job opportunities, and little or no means of livelihood provoke prolonged local skirmishes. Experts agree that rebels know they can use teenagers and even kids in their causes and marginalized groups of a community tend to unite along ethnic lines (Kom, 2015). Many central governments are aware of these two potential problems so they devolve and allocate greater resources to underrepresented localities.

Differences in ethno-linguistic makeup, religions, and traditions tend to create and sustain conflict, which rings true in many Asian countries. In the Philippines' southern region where there are many indigenous (including non-Christian) tribes and Muslims, it is common knowledge that some form and extent of Shariah (Islamic law) is bound to be enforced on places where adherents are plentiful. Actually, its scope is very extensive, since it guides an individual's relations with not only with neighbors and with the country, also with a supreme divine being and with the person's own morality. Hence, it is not just a religion but a way of life and a basis for running a country, operating the courts, and conducting personal relations (El Shamsy & Coulson, 2019).

One of the prime reasons for devolving political authority in some polities is clamor for autonomy coming from various ethnic and religious groups. Prolonged protests tend to be backed by threats of protracted struggles or armed rebellion. One of the causes of these tensions is ethnic identity formation. According to Nag (2003), ethnicity is only a concept that exists due to constant exposure of a particular group to a larger nation-state's political and economic activities. But it can solidify because of strong national government meddling, economic exploitation, and intimidation (Singha, 2017). In addition, identities that mold skirmishes are not always ancient but a result of political needs and administrative expediency. The long bloody wars of Naga-Kuki and the Kukis and Paites in Manipur, India, showcase that identity clashes have been continuing not just because of conflicting groups' claimed territories and settlements, but also worries about identity loss (real or imagined) (Oinam, 2003).

There are also various competitors in the power structures, which made India's Northeastern region to be known as a firepit, being a site of long-running ethnic conflicts with a myriad of political goals. (Kom, 2015). Perhaps, interethnic violence has been the main characteristic of multi-ethno-linguistic countries (Khan, 2020). In India's modern history, there have been countless outbreaks of violences due to ethnic and secessionist impulses arising from overlapping claims on desired resources and territories (Kom, 2015). But now, there are many instances of internal fighting because of disagreements over shares in taxes, rifts in coalitions, enmity between militants, and factional bickering. Abduction in exchange

for money, political assassination, and forceful protests (bandhs) are the ways rebels use to make their point to the central government (Kolås, 2015, p. 8).

### Common Issues on Decentralization

#### Political Devolution but Greater Recentralization (i.e., Fiscal, Security)

Genuine decentralization is more difficult to achieve in developing countries. Even when it does occur, it may actually lead to recentralization (Kolman, 2013). Janet I. Lewis (2014) stated that devolution efforts during the 1980s and 1990s in many sub-Saharan African and Asian countries such as Indonesia, Morocco, and Vietnam significantly altered the dynamics of their home affairs by creating plenty of new local governments. Due to insufficient capacity of local leaders, multiplying leadership bodies diminishes many units' leverage to the central government and gradually lessens each administrative unit's clout and ability to unite for programs that bring them common welfare. So leverage and finances will be consolidated in the top leadership following propagation, leading to resource re-concentration. New subnational governments are likely to be indebted for center's largesse, likely generating clientelistic affairs. Finally, an enlarged number of miniscule units can grant national authorities extensive information networks in different areas to keep tabs on possible opposition to their supremacy from the peripheries, increasing security centralism. This practice is virtually the classic "divide and conquer" in another form.

#### Limited Local Revenue Sources

A subnational government's capacity to bankroll its initiatives with its own revenue streams prompts local rulers to expand their jurisdiction's wealth creation potential, pursue sound development programs, and maintain good fiscal housekeeping (Kadochnikov, 2019). Administratively, greater financial independence puts more accountability on local governments for all of their localities' accomplishments and blunders. It appears that there is good link between economic devolution and social progress (Buser, 2011).

Another reason is urbanization. Certainly, it is a wonderful development when implemented properly. With spectacular edifices, verdant avenues, and wonderful theaters, cities can inspire and be places of pleasure and meditation. They also serve as the backbone of businesses and governmental authority (Töpfer, 2005); nevertheless, when unguided and hurried, urban development may often bring about market distortions and political fiascoes, harmfully affecting inhabitants and their surroundings (von Braun, 2014).

In India, there is an emerging development called rapid urbanization near highway infrastructure, as pointed out by Sai Balakrishnan (2013). He stated that it has substantial effects for devolution and activities as metropolises of industrializing states expand into gigantic polities informally known as boundless cities. In addition, these highway sprawls disregard categories of traditional settlements: urban and rural. Yet, devolution practices highlight the urban-rural contradiction by allocating more authority to local administrations. City

planners agree that the conventional notion of urban design has been inclined completely to “metropolitan planning.” And metropolitan leaders still emphasize “the city” to be the center of study and implementation. Hence, planners and leaders are incapable of responding appropriately to irregular trends like the fast urban expansion of road networks.

The experience of the countries reviewed may seem to suggest that local governance innovations may be seen as one of the solutions to challenges that confront today’s decentralization arrangements. These include:

- strong political leadership;
- genuine political and fiscal decentralization;
- citizen participation;
- cross-sectoral collaboration;
- transparency through media and information distribution;
- backing from transnational organizations.

Successful devolution programs have to be underpinned by strong political leadership, genuine political and fiscal decentralization, citizen participation, and cross-sectoral collaboration. It could be claimed that these four practices are of prime importance in ensuring the triumph and sustainability of political arrangements. It shows the necessity of strong leadership (in a local society or in the local administration) and real delegation of political authority along with the corresponding resources to bankroll it. Brillantes (2019) succinctly stated, “*Nasa iyo ang kapangyarihan, nasa iyo din ang pananagutan*” (with great power comes great responsibility). Leadership and delegation of

authority make it possible to secure the commitment and participation of stakeholders of a devolution program, and active collaboration with various entities like civil society associations, non-governmental organizations, and the religious sector. The interaction of these groups with the government and the people, and vice versa, prove that all the parties are sincere towards a common aim: peace and effective governance.

Successful devolution requires the capable leadership of a national government. At the same time, significant transparency towards all actors is also needed to ensure their commitment, especially if their desires for autonomy and livelihoods are at risk. This underscores that no group should be excluded lest they complicate already precarious problems. Furthermore, support of international institutions greatly assists in peaceful conflict resolution. Certain international institutions provide expert knowledge and resources, and may be viewed by contending parties as impartial. While they cannot support all initiatives, international institutions can have a key role in the fruition of programs due to the huge support they can offer.

The following discusses some of the major trends in decentralization observed in the region, citing experiences of various countries as indicative illustrations.

### **Continuing National Control**

It is important to recognize that decentralization should not be romanticized. There are areas and sectors that should remain under the control and direction of the national government. The idea is for national government to provide the



framework, the overall policy directions that guide the decentralization process, with subnational (local governments) aligning themselves to these broad national directions and policies. Areas of national control should include broad national economic direction, foreign policy, defense, and justice, though they have to be appropriately contextualized at the local level.

Indeed, a country's central authorities have to preserve economic strength. Financial policy is a key part of the equation. Government liabilities can suddenly be a problem for the economy and detrimental to its standing. Good macroeconomic strategies augment the reliability of the government and reinforce its administrative institutions. National governments can provide a stable environment to preserve the currency's stability, impose order, and protect property rights (Campbell, 2009).

The central government of an independent country maintains official relations with other sovereign nations in the world. There also has to be a standing military to defend the country from aggression (Way, n.d.). A good court system is needed to enforce law and order and deliver guarantees to citizens that their business associates in the market are held answerable (Campbell, 2009).

There is a Vietnamese proverb that states, "the rule of the emperor stops at the village gate" (Wescott, 2003). In this new era, this still sounds true. By empowering local government structure in local and regional representation, decentralization can generate more communication channels and augment the levels of answerability to which government is held. It functions to increase

both the state's understanding of indigenous protests and circumstances, and its ability to respond effectively through intersecting duties and redundancies in policy circles (Faguet et al., 2014).

With this in mind, revitalization of local governance through collaboration is underpinned by good communication, open participation, and trust, which begets robust human relations. Nelson Mandela once said, "It is wise to persuade people to do things and make them think it was their own idea." Brillantes and Esden Lopes (2015) have illustrated exceptional examples where the mentioned leadership practices were unconsciously practiced in the Philippines by former Quezon City Mayor Feliciano Belmonte, former National Statistics Office chiefs Mr. Tomas Africa and Carmencita Ericeta, and Gawad Kalinga founder Mr. Antonio "Tony" Meloto.

### **Bumpy Road to Decentralization**

Devolution is still in its primary phases in East Asia, in spite of public pledges in many states to deepen it and even though there are some programs in progress (Wescott, 2003). Patrick Ziegenhain (2016) stated that government officials who were responsible for drafting charters and basic laws had to incorporate both the desires and concerns of the key social and commercial actors in the course of political restructuring. Furthermore, some devolution efforts have been accepted yet never applied comprehensively.

The results of decentralization that has occurred in Indonesia and Thailand must be deemed to be meager. Prasojo (2012) stated

that during the implementation of Government Regulation No. 45/1992, which mandated the central government to delegate authority to the Level II government (regencies and cities) and compelled the provinces to do the same for the latter, national authorities were inconsistent in devolving powers for the regencies and cities. The aforementioned law confirmed that augmenting the Level II governments was not intended to lessen the Level I (province) government's influence and functions, which emboldened refusal to delegate governmental power to regencies and cities.

In Thailand, even though devolution was included in the Charter, the national government has retained significant authority over local governments (Haque, 2010). Even if there was strong emphasis for political deconcentration through direct polls, administrative and financial arrangements are unfinished. Monetary and governing authority restrictions faced by local leaders due to legal and regulatory structures leave the central government as the custodian of the decentralization program (Mutebi, 2004, Sudhipongpracha, 2014). Mutebi (2005) noted the significant political devolution in Thailand but acknowledged the center's hesitancy to grant administrative decision-making and financial means to local authorities such that decentralization hinders rather than facilitates local governments' capability to serve their constituents

Taking off from the above, and to give a specific "on the ground" flavor of decentralization trends and concerns, the following discusses decentralization experiences of some countries in the Asian region.

## **Indonesia**

Indonesia is a unitary presidential republic. It has no central outline in the delegation of functions, and local governments just implement the directives of national authorities. As Indonesia is an archipelago with a wide swath of ethno-cultural varieties, the suitable set of government institutions and the degree of acceptable local autonomy arrangements are frequent challenges in its quest for effective governance (Hutchinson, 2017). The Indonesian state has undergone several centralization and devolution initiatives over the years (Jaya & Dick, 2001).

Eko Prasajo (2012) has stated that local government tradition in Indonesia goes back to the Dutch era and has been carried out since the republic's establishment as a "decentralized united state" in its Charter (Government Regulation No.2/1945). Nevertheless, subnational administrations were viewed as implementing agents of the national leadership. The first law that gave regulations for local governance was Law No.48 of 1948, which abolished "dualism" and granted genuine autonomy in subnational administrations' dealings. Liberalist thinking dominated national politics because of inherent administrative differences across regions and led the government to issue Law No. 1 of 1957, which stipulated "principles for local governance."

Despite this development, Presidential Regulation No. 6/1959 is regarded by scholars as bringing back the Dutch-era centralized power structure. Legge (1961) called this a back step from autonomy. This recentralism was caused by the very liberal

local governance, which spurred fears of tearing apart the Indonesian state (Prasojo, 2012). Eko Prasojo (2012) acknowledged that during 1965-1974, there were noble-intentioned laws: Laws No. 18 and 19 of 1965 re-strengthened democracy and autonomy of local governments where there are three levels.

Devolution was attempted, but in reality, it was not effective due to existence of outdated laws that were not yet modified and/or supplanted. In addition, the political climate was not conducive for decentralization. When Indonesia gained independence in 1945 and at the start of Suharto's New Order in 1966, the Indonesian government's control was not yet consolidated. Cases like the Sumatra revolt during the 1950s, the secessionist movements in Aceh and Irian Jaya (now Papua), and East Timor (now an independent country) made the national government leaders reluctant to give power to local authorities (Smith, 2008). That is why Suharto's New Order regime (1966-1998) centralized power as "covered by the framework of unitary state" (Rudy et al., 2017, p. 132). Even though Law No. 5 of 1974 was passed and prescribed multi-level arrangements for local governments, the New Order regime retained strong financial and political influence over local governments for they were concerned about local secessionist impulses and extreme political movements of the left and right (Rudy et al., 2017). The actual situation was just local self rule in only administrative aspects, not political or economic, which invited protests from certain regions including Aceh and Papua. When the Government Regulation No. 45/1992 was issued, the central government delegated powers to the Level II

regional authorities (regency/city) but in practice, the former were inconsistent in devolving power to the latter. And so, provincial authorities also refused to grant power to local leaders (Prasojo, 2012).

When the Suharto government was forced out of office, Indonesia embarked upon a fundamental and speedy deconcentration initiative and its self-governance system reformed a highly centralized nation into one of the world's most devolved polities (Fengler & Hofman, 2009). Fengler and Hofman (2009) stated that Law No.22 of 1999, gave local administrations significant autonomy. A few functions have been retained by the central government like national security, the court system, external relations, fiscal policy, and religious affairs. With devolved authority came ample resources. This was the so-called "big bang" (Fengler & Hofman, 2009, p. 249).

With regard to fiscal devolution, an increased portion of the government's budget has been transferred to the local governments. In 1999, the allotment was just 13.7 percent of government money (Alisjahbana, 2012). When Law No.22 was passed in 1999 and enforced in 2001 (Rudy et al., 2017), the financial transfers received by local governments increased from "17 percent to over 30 percent" (Fengler & Hofman, 2009, p. 246). Before Law 32 of 2004 on decentralization was approved and implemented, the cash given to local authorities "increased to an average of 28.4% of the total budget over the 2000-2004 period" (Alisjahbana, 2012, p. 43). From 2005-2009, the fiscal transfers rose "further to 33%" (Alisjahbana, 2012, p. 43). Fengler and Hofman (2009, p. 246) stated it was "36 percent in 2006."

And so, different localities are now responsible for more than 30 percent of total government expenditure and investment. In spite of egalitarian notions in the Java Island, the Indonesian state is one of the most ethno-culturally diverse and inequitable nations, which makes delegation all the more difficult. Poverty rates in Papua New Guinea and other eastern Indonesian societies are comparable to those in Africa, while Jakarta and other resource-endowed areas have annual incomes that are far higher than those in Mexico (Fengler & Hofman, 2009).

Green (2005) looked into the foundations that promote decentralization in Indonesia. Institutional systems like the free media and the public are active in the political sphere, and Indonesia's democratic system proved to be working, with the presence of multiple political parties and the election of President Yudhoyono. However, strong legal systems and good local revenue sources are few, if they are present at all, crippling the local governments. Political and economic elites can mount stiff resistance and even water down decentralization laws in Indonesia since they want to maintain the status quo. Green suggests that better collaboration between the national and local governments should be done in order to efficiently deliver services. Furthermore, the local governments should be given more fiscal authority in order for them to be more independent from the national government.

#### *Citizens are More Pleased with Government Services*

Public opinion of government services provides significant evidence of shift towards

governmental delegation. In two countrywide surveys on Governance and Decentralization (2002 and 2006), more than half of surveyed households asserted that healthcare and schools became better after devolution (Fengler & Hofman, 2009). According to Chowdhury, Yamauchi, and Dewina (2009), while delivery of government services depends on early allocations, they also found proof that devolution has enhanced the accessibility of local infrastructure networks and resulted in a more robust gathering of goods from inter-regional trade, which may be due to increased inter-local competition and productivity (as economists have argued should happen in decentralized countries).

#### *Financial Consolidation is Being Implemented*

The national government's fiscal deficit has been kept under control since 2001 and national debt has fallen more quickly than in any other emerging nation, from almost 90 percent of GDP to about 30 percent at the beginning of 2008. Indonesia's external debt as a percentage of its exports has shown a remarkable reduction from 179.7 percent (2004) to 97.4 percent (2011). Similarly, in 2013, the country's external debt dropped to 28 percent. This is a positive development compared to many developed countries that are having a hard time about public debts (Indonesia-Investments, n.d.).

The continuing low aggregate fiscal deficits were made possible by reduced public expenditures, especially on the uneconomical petrol grants that took a large chunk of the state budget before the 1997 Asian Financial Crisis. This progress is mainly because of the careful monetary

policy of the Indonesian government and obedience with financial procedures, which prescribed boundaries on the upper debt level (Indonesia-Investments, n.d.). When it comes to national spending, efficiency has been emphasized and efforts have focused on infrastructure expansion, poverty alleviation, social inequity, and job creation (Jaelani, 2016).

### *More Financing for Poorer Regions*

In 2001, the country devolved and allotted a great quantity of resources to less endowed localities in an attempt to reduce inequalities. Even if intergovernmental fiscal relations could be improved, the most far-flung and underprivileged regions have received significant allocations since then. In 2006, distant, poor jurisdictions such as Aceh, Papua, and Maluku got big financing from the national treasury that bankrolled their development (Fengler & Hofman, 2009). Together, the DAU (dana alokasi umum, general allocation grant), DAK (dana alokasi khusus, special allocation grant), and DBH (dana bagi hasil, revenue sharing grant) allot cash equal to 80 to 90 percent of the collective local spending: more than half for provinces, more than 80 percent for kota (cities), and a similar level for kabupaten (regencies). This financing arrangement is designed to pay for costs of supervision, salaries, and daily running of local administrations at the provincial, city, and regency levels (Ostwald et al., 2016).

### *Issues and Challenges*

**Using the Newfound Means Effectively.** When there was an extensive restructuring back in 2001, local authorities were hard-pressed on how to use their growing resources. Before 2007, provincial and city

treasuries had increased to almost Rp 100 trillion (US\$12 billion), about 3 to 4 percent of GDP. Some localities are performing quite deftly but the distant and meager polities of Aceh and the Indonesian Eastern regions have large sums of cash just languishing in banks (Fengler and Hofman, 2009).

**High Dependency on Allocations from the National Government.** Law No.34 of 2000 allowed levying of some local duties, and permitted local authorities to levy additional ones as long as they do not run counter to certain stated principles. However, in addition to the modest means of indigenous economies and citizens, numerous local governments are limited in their ability to calculate tax accountabilities speedily, hampering good revenue collection. Central authorities were unable to exercise oversight and there was insufficient people-based monitoring, so widespread corruption and wastefulness ensued (Ostwald et al., 2016). Moreover, the national government exercised strong control over 90 percent of all tax collections (Fadliya & McLeod 2010).

The situation has rendered local polities reliant on the top leadership for financing, like during the pre-devolution era when central-to-local government allocation through assigned financing was the backbone of local administration budgets. There are few permissible ways in which localities can create and maintain income streams through taxes. There are usage instructions for the central government's cash transfers to local governments, so there is little leeway in their application. In practice, local administrations are still firmly under the regime in Jakarta (Ostwald et al., 2016).

**Investment Environment.** The partial guidelines present during the large decentralization programs and rivalries between the top leadership and local administrations concerning investment, land use, and resource extraction permits have hampered the appeal of various investments in the archipelago. Little experience in inviting commercial entities and insufficient knowledge about fostering a healthy business ecosystem complicates economic development. Private firms also have to tussle with widespread corruption at the local and national levels (Fengler & Hofman, 2009).

**Lack of Accountability of Local Authorities.** “Administrative spending of Indonesian districts are exceptionally high compared to global averages. Normally, districts spend around a third of their entire budget on general administration and not on public services.” (Sjahrir et al., 2014, p. 166). The devolution in Indonesia may have significantly reduced the accountability of local governments (Sjahrir et al., 2014). Large spending, whether illegal, off-budget, or on budget, has become indispensable in marshalling popular support in the districts (Sjahrir et al., 2013). Local electorates, as a reward for their votes and allegiance, expect elected officials to care for them not only through cash gifts at assemblies, but also for largesse during the polls (Simandjuntak, 2012). Current officials who intend to be reelected, willingly “use their discretionary funds” to maximize their chances of reelection (Sjahrir et al., 2013, p. 344).

Furthermore, based on Valsecchi’s research (2012) with figures on corruption trials, it was discovered that devolution intensified the frequency of corrupt practices

by about half. This is further supported by the results published by the Corruption Perception Index between 1995-2003, when Indonesia got a rating of less than 25, and its standing has not changed with ranking between between 25 and 37, which is beneath global average (Banuri and Eckel 2015). The defendants in corruption cases are mostly local authorities like governors, mayors, regents, and local assemblymen (Alfada, 2019).

### **Vietnam**

The devolution experience of Vietnam is similar to other Asian nations’ preference for working slowly towards a lofty policy goal by being aware of practical governance lessons. Political restructuring was implemented gradually with respect to political, economic, and social climate, not as a highly-planned, reorganization package as in some industrialized nations (Wescott, 2003). Nevertheless, there are still challenges.

#### *Good Fiscal Decentralization*

After more than 20 years of economic reforms, budget allotments for all local government levels have significantly increased from 26 percent in 1992 to almost 50 percent in the early 2000s. This allocation is considered to one of the biggest, comparable with some large federal, industrialized nations such as America and India. This reform, facilitated by the 1996 Budget Law and the 2002 State Budget Law, expanded provincial governments’ powers in infrastructure regulation and supervision, creation of local economic development programs, and intergovernmental cooperation. The state also made a more robust structure for finances from the national government, under which regional

entitlements would be fairly secure for a few years before being evaluated and then maintained or customized in the future (Fritzen, 2006).

### *Strengthening Political Accountability at the Grassroots Level*

While there are no indicators of starting a strong decentralized local administration (Fritzen, 2006), there are developments concerning the accountability of public officials at the most basic level. First, there are initiatives to entice increased participation in policy circles and to strengthen the government's administrative and legislative capabilities, from the national legislature down to local people's councils (Luong, 2006). Another effort to bolster political accountability that deserves mention is the "democratized grassroots" rule (*dan chu hoa tai co so*). Since 1997, there have been a number of orders that instruct subnational administrations to ensure that democracy in procedural terms shall be honored at the local level. There has been an emphasis to ensure that all national allotments, the usual means of supporting national programs, and all internal revenues are distributed, evidently and fairly, at the most basic level. The command and corresponding application rules are an attempt to build desirable local leadership practices only in the fields that local residents are interested (Vasavakul, 2002).

### *Issues and Challenges*

**Lack of Capacity of Local People's Councils.** Local leaders can only conduct managerial tasks approved by the national legislature. Aside from that, these local administrative bodies receive little guidance from the top Communist Party leadership

and in turn, contribute little input to national policies. On top of it, they are increasingly required to perform more vital functions despite receiving inadequate training and financing for their new responsibilities (Wescott, 2003).

Duty for preparation, application, and management of public services is fragmented, although the implications of this differ depending on the economic status of each province.

Only big urbanized provinces are able to have de facto fiscal autonomy, formulate their own plans, and allocate their own budgets, whereas smaller polities have limited administrative and financial authority (Wescott, 2003).

**Complex Bureaucracy Affects Commercial Activities.** It is good that the Vietnamese government has clarified the roles of the People's Councils and People's Committees, stipulated in the 2013 Constitution, which are designed for local administration (i.e. provincial, district, and commune level). There is a People's Council, which is an elected top authority at its particular level of administration, while a People's Committee is selected by the People's Council and does the actual work (Jamieson et al., 2020).

However, businesses in Vietnam are adversely affected by the country's extraordinarily complex bureaucracy (Schwarz, 2010). The World Bank's 2010 Doing Business report stated that it normally takes 50 days and 11 administrative steps to start a business activity in Vietnam, then another 13 government procedures and 194 days to just get a construction permit (World Bank, 2010), which is deemed very

inconvenient compared with other Asian countries (Schwarz, 2010).

### **Thailand**

Thailand's rich history of having a highly-centralized authoritarian government is one of the biggest challenges in regard to its decentralization initiatives. Nelson (2002) described the local government system as part of one big administration that comprises localities, politicians, citizens, media, civil society organizations, and other interest groups. Local governments can only operate within the guidelines set by the central government through its 1997 Charter, Thailand's Decentralization Law, and other significant legislation. Basically, the local governments are only the implementers of the central government's directives, and they have little to no authority over their territories. Nevertheless, the Thai administrative system is not monolithic, but very disunited. According to Suwanmala and Weist (2009), the 2007 Constitution, which was approved after the 2006 political upheaval, not only reiterated support for devolution but also prescribed options that would augment customized administration and democratic practices at the local level. Wong (2007) pointed out that in the 2007 Constitution, the local people are clearly allowed the right to express their opinions and conduct popular polls on significant cases where the actions of local governments are directly affecting them. Furthermore, better downward accountability is encouraged by compelling local administrations to write yearly reports to the public about the budget, expenses, and performance.

After the abrogation of the 2007 Constitution, the 2017 Constitution replaced it. The current charter is the country's 20th as the first was in 1932 (Chambers & Waioolkat, 2019). This current constitution certainly contains provisions for decentralization, specifically in "Chapter XIV: Local Administration" (Constitute Project, 2020, pp. 85-86), but it is characterized by a set of rules that are very advantageous to the elite and with which the Thai people must comply. "Political space" in Thailand has become highly restricted as during a similar era of military-dominated rule in 1958–1968 (Chambers & Waioolkat, 2019, p. 20). The multi-layered characteristics of the Thai economy and polity have frequently favored authoritarian groups (Chambers & Waioolkat, 2019).

### *Significant Decentralization of Health Service*

For the success of any devolution initiative, it is necessary that all involved embrace a key principle: "Nothing concerning us can be settled without us" (Davies, 2001, p. 261). This thinking has its roots in Central European political cultures, especially Poland (Davies, 2001). It conveys the widely accepted governance ideal that any policy or program has to be designed with the consultation of the people who will be affected by it. Tanchai (2012) successfully deduced this thought and underscored the significance of gaining intimate knowledge of local conditions and active collaboration with participants, designing adaptable institutional regulations and structures, encouraging cultural and mindset change for public officials and ordinary people, having sufficient finances



for area and functional administration, and providing leadership programs. Only then can we describe a public administration as “citizen-centered” and hope to achieve meaningful and sustainable outcomes.

This development occurred because of a common goal: people-centered development. Tanchai (2012) underlined a new viewpoint where a top-down approach (policy/purpose-process-people) is reversed, creating a “bottom-up approach” (people-process-policy/purpose) that highlights democracy’s strength: feedback channels. He added that with vigorous public participation and flexible options there can be realistic issue identification, creation of the right policies, and continuous assessments during evaluation to ensure sustainability. According to Van Buuren et al. (2007), a successful undertaking with regular communications can build confidence and trust among stakeholders.

A noteworthy phase toward devolution in public health services was done in 2007 under the administration of Prime Minister Gen. Surayud Chulanont. The Ministry of Public Health, the National Health Insurance Office, and the Commission for National Decentralization worked together to transfer responsibility for public hospitals and health care centers to local administrators, specifically tambon administrative organizations (TAOs), which are modest sized semi-autonomous government offices at tambon (subdistrict) level intended as an appendage to national agencies (Rajchagool, n.d.). TAOs are responsible for water, roads, cultural activities, education, health, public safety, and conservation of natural resources. Implementation of projects is managed by

the district officer. TAO revenues come from fiscal transfers from the national government and local taxes (Wathana, 1999, p. 81).

In April 2007, 35 health care centers in 16 provinces were approved by the National Decentralization Committee to be transferred to 30 TAOs. The transferred health care centers are in better condition, fiscally and administratively, because they receive money from several sources: TAOs, the National Health Insurance Office, and their local communities (Suwanmala & Weist, 2009, p. 206). This case example has been considered a critical juncture, for it is the first time that Thai national agencies and local officials have cooperatively strived to delegate basic services and attained a favorable result. Because the Ministry of Public Health recommended several customizable decentralization arrangements, such as local medical centers, municipal hospitals, and groups of health service facilities, it enabled local officials to adapt their services according to local conditions. And so, this program may have become a successful case example for future devolution programs (Suwanmala & Weist, 2009).

### *Issues and Challenges*

**Lack of Capacity of Local Government Personnel.** For many years, Thai local government authorities never had any decision-making authority or the means to implement their programs (Mutebi, 2005). Because of the very slow pace of devolution, local management ability is still meager, narrowing the opportunities for the people to meaningfully partake in public activities (Sudhipongpracha & Wongpredee, 2015). Local governments often have neophyte workforces with plentiful undergraduate students from provincial schools and

academies. Nominated representatives often have minimal qualifications and lack familiarity with public affairs. In addition, local government employees, especially in modest, remote areas, experience a very high incidence of eventual staff departure due to vulnerabilities to patronage and lack of opportunities for career growth. Nonetheless, there are some improvements such as bonus incentives, a plethora of educational opportunities, and the institutionalization of welfare packages that rival that of the national civil service (Suwanmala & Weist, 2009).

**Dependence on Central Government Transfers for Budget.** In 2004, locally collected revenue was only one-tenth of the of total national state revenue. It appears that local Thai authorities' economic independence is still controlled by national leaders who make decisions from Bangkok on how much to grant to subnational governments (Krueathep, 2004). The allotment scheme is largely influenced by negotiation and whether local governments can win specific projects (Suwanmala & Weist, 2009).

In 2017, Thailand passed the Government Procurement (GP) and Supplies Management Act, B.E. 2560 [2017] to replace the old law promulgated in 1992. The new law intended to institutionalize well-organized public spending and minimize corruption. A combination of price and quality standards covering various areas including the environment was also incorporated (Vanborsel & Subsomboon, 2018). The new law also allows citizens to watch the whole process including writing the terms of reference to finishing the procurement

process. The law also prescribes fines for employees and officials who receive kickbacks or neglect their duties (Wichit, 2017).

The Public Procurement Management Office (PPMO) manages and assesses the procurement activities of government agencies. It also determines the rules relevant to public procurement (Asian Development Bank & Organisation for Economic Cooperation and Development, 2006, p. 76). The PPMO is under the Comptroller General's Department (CGD), responsible for the application, oversight, and budget distribution of the national government's projects. It also manages a website, [www.gprocurement.go.th](http://www.gprocurement.go.th), the central portal of all procurement notifications nationwide. The two aforementioned agencies are under the Finance Ministry (European Union, n.d., p. 6). The Provincial Administration Department of the Interior Ministry supervises procurement undertaken by local governments, and the State Enterprises Policy Office (SEPO) of the Finance Ministry is responsible for government corporations' procurement activities (European Union, n.d.).

For contractors to qualify in bidding for government projects in Thailand, private firms have an advantage because the government prioritizes them to attempt to save cash. Government authorities still want to receive bidding documents translated to Thai and in printed form, because when they read it in electronic format, they will have to print them out costing them time and money. They are also more likely to select contractors who can offer the lowest price possible, which spurs concerns for quality. In response, the country highlights

the pre-qualification phase to keep capable bidders in the game. Only those deemed fit in the technical document evaluation are entitled to advance by submitting their bid price via e-bidding (Hasiholan, 2011).

Thailand's current allocation system for local governments cannot be easily used to considerably increase fiscal capacity of different localities or adequately finance local needs. Although local governments are assured receipt of the previous year's share of the tax collections, they have small expectations because there are guidelines and formulae for the distribution of the central budget to local governments in the form of the general grant system (Suwanmala & Weist, 2009).

**Unclear Budget Allotments and Assigned Functions for Local Governments.** Bigger government savings can be achieved by specifying required allocations instead of optional ones, along with definite tasks at each level of a subnational administration. The hiring of employees in local governments and their funding used to be centrally planned, which resulted in overstaffing and overspending in some localities. So specified needs and flexibility to design organizations are imperative to spend wisely, remove redundant roles, and come up with a suitable skills requirement framework between the national and local leadership. For those local services most appropriately provided by local governments, such as local road construction and dry waste management, the national leadership's function should remain in policy formulation, regulation, acceleration of local service delivery, and sustenance of local capacity-building (Suwanmala & Weist, 2009).

## Malaysia

Despite its federal arrangement, democratic representation, and clear separation of tasks, Malaysia has diverted finances and functions from the states to the top-level, making the system "top-heavy," so to speak. State and local governments in Malaysia were, to a large extent, not a desired feature of the regime, but a necessity. The ruling classes sought a resilient and consolidated government as the driving force for economic progress. The sultanates, with their potential to struggle for autonomy, limited the freedom of action for political leaders. Some local monarchs from the earlier times proved to be a challenge for the governance of Malay societies (Hutchinson, 2017).

### *Fiscal Autonomy of State and Local Governments*

Due to their delimited concerns and small range of services within their purview, state governments have considerable fiscal space. In 2005 to 2014, the state governments together produced almost 80 percent of their own income, while they received fiscal transfers from the center. The federal government does not touch any revenue generated by state authorities (Hutchinson, 2017).

### *Online Services for Citizens*

Many local administrations already have an online payment scheme for many of their public services. There are even some localities that have drive-through booths and remote branches to make transactions easier. In addition, there is a large information system called ePBT, an all-purpose system with cash and accounting management, a

civil complaints database, and local government reporting structure that merges client-server and online application concepts. It supports the local governments' functions in tax collection, management, and finances (Malaysian Ministry of Urban Wellbeing, Housing and Local Government, 2016).

### *Issues and Challenges*

#### **Inadequate Finances Given to Local Governments to Provide Public Services.**

Even if local administrations have seen noteworthy progress in raising their own revenues, the amount of cash needed for public services like roads and healthcare have also significantly grown. There is also a lack of allocation from the federal government to keep up with the enormous surge in demand for clean environment, potable water, and decent infrastructure. As a result, subnational authorities are facing a hard situation because they have to serve a bigger, more diverse populace and a larger area (Setapa & Yee, 2009).

#### **Lack of Capacity of Local Governments.**

There are serious impediments such as lack of trained staff, low state of work and process automation, inefficient reporting, and frail supervision (Setapa & Yee, 2009). Local administrations would find it handy to be able to raise money by issuing bonds, but details concerning issuing process and accountability would first have to be resolved. Local administrations have to possess the latest local financial data and send verified account books to the state governments because bond financing requires comprehensive information. Well-off local polities may create a special mechanism to allocate some of their properties for securitization and bonds

because a lot of local governments have ample, stable, and existing resources that raise good revenues (Setapa & Yee, 2003).

Bonds can be more enticing to financiers than stocks because regular coupon payments grant them a stable revenue source while preserving the principal sum. As a small-risk option, bonds are a more promising arrangement than shares, for as long as the issuer does not default, the investor gets paid through the coupons whether or not the company makes a profit. If the borrower becomes bankrupt, bond owners have a prior right on the firm's assets. Bond profits are also frequently greater than interest on bank savings and deposits (Setapa & Yee, 2003).

### **India**

India is one of the world's most populous countries, with a multi-ethnic populace and a democratic, federal system. Devolution is extremely challenging because of endless coordination among competing interests (Rao, 2009). Beginning in 1991, market-aligned reorganizations compelled the Indian nation to revisit its role and reassess many intergovernmental arrangements including fiscal ones. There have been many forces behind the scenes. While the conversion from top planning and market-based resource allocation has empowered local authorities for public service provision (i.e., infrastructure, taxation) the trend of swelling local disparities has demanded a larger central role (Rao et al., 1998).

A World Bank study highlighted that India has been very successful in "political decentralization" (World Bank, 2000, p. viii). This is because many Indian states

revised their laws in accordance with the 73rd amendment, which created the Panchayati Raj Institutions (World Bank, 2000). And so, most Indian states conducted at least one poll back in 1993. Legal guarantees for women's participation in politics have been honored and voter input has been great (Johnson, 2003).

India's local administrative system is set out in the 1950 Indian Constitution's 73rd amendment of 1992 which defines panchayati as organizations of "local self-government in rural India" (Rai, 2018, p. 2). "With the exception of the states whose population is less than 2 million, the three-tier Panchayati Raj Institutions (PRI) system is mandatory for all states. The tiers consist of: gram (village) panchayats at village or cluster of villages level, block panchayat at subdistrict or block level, and the district panchayat at the district level. For smaller states such as Sikkim, only two tiers, namely village panchayat and district panchayats, have been constituted" (Rai, 2018, p. 2). Rai (2018) added that there are diverse arrangements of these local governments due to various conditions such as the degree of decentralization of functions and funds in Indian states.

In analysis of the Task Force on Devolution of Powers and Functions on Panchayati Raj Institutions (Ministry of Rural Development, 2001), many states handed only the minimum statutorily-required roles and fiscal autonomy to the PRIs. For administrative deconcentration, there is no clear separation of roles between the three tiers of the panchayats, making the political situation perplexing and negatively affecting accountability. Even where roles are distinct, a small number of states have

harmonized tasks with the needed administrative improvements, like staff transfer, issuance of directives, and modifications in administrative procedures (World Bank, 2000, p. ix).

In terms of fiscal devolution, although states created a "State Finance Commission (SFC)" which pointed out levels of resource allotments and creation, there were no clear transfer of tasks, so every SFC had a hard time knowing the resource requirements of local administrative bodies. Second, there is no transparency and trustworthy data concerning the monetary condition of PRIs and their spending ability, so little fiscal decentralization occurred (World Bank, 2000, p. ix).

### *Strengthening of Panchayati Raj Governments for Villages*

The 73rd Indian Charter amendment is a significant achievement. For one thing, it enabled decentralization by granting the panchayat raj constitutional status (Billava and Nayak, 2016). Furthermore, according to Dwivedi and Poddar (2013), a considerable number of PRIs have become essential because these local bodies can embolden local residents to partake in economic development and help execute various welfare initiatives through mutual aid and resource deployment for previously marginalized peoples.

Secondly, it guaranteed women's public participation, which has highlighted household concerns. It reserves more than 30 percent (one third of the total number) of panchayat posts for females. Economic development has been directed with plans for women's development, funding for self-help associations, creation of banks and

higher learning institutions for women, universal education for girls up to some extent, housing, government services, etc. (Billava & Nayak, 2016).

### *Flexible Institutional Design for Local Governance*

The pressing call for farming spaces near road networks to facilitate industrial enlargement has further burdened subnational authorities in managing local development. The politically influential, prevailing-caste agrarian landlords' concerns for sharing the profits of new infrastructure advancements are driving local leaders to tinker with new regional arrangements to positively steer the resulting highway sprawls. Parastatal-led cooperatives offer a promising model from India. Balakrishnan (2013) called this phenomenon a "negotiated devolution," which reveals the constant struggle of local and regional actors in dealing with cross-boundary activities like highway urban expansions.

Parastatals and cooperatives are regional organizations and their control blurs traditional frontiers. These are "hybrid institutions," i.e., distinct from "general-purpose governments" like cities, parastatals have market affinity in their fiscal autonomy, inner structural flexibility, and less people's-participation and answerability (Balakrishnan, 2013, p. 786). The cooperatives are bodies intended to address the imperfections of the market and offer communal alignment through democratic practices for their activities and income generation in a non-exploitative and more decent setting. However, their track record had been mixed, as the success of these arrangements depends on the cooperative

history of the region in which it is attempted. In the Western Maharashtra, where the Pune-Nashik highway is positioned, there is a high degree of trust among commercial actors due to the existence of many sugar cooperatives decades ago, while with Bangalore-Mysore highway in Southern Karnataka, experience-based trust does not exist (Balakrishnan, 2013).

### *Issues and Challenges*

**Hyperactive Urban Development Near Infrastructure Networks.** Balakrishnan (2013) states that the Bangalore-Mysore highway linked more than a hundred villages, creating a messy hodgepodge of farms, industrial zones, closed societies, and informal houses. Real estate developers and business tycoons acquired land in these highway villages because of discounted prices and increasing accessibility. Farming proprietors of these communities are susceptible to being divested of their property in the course of rapid advances. These polities are torn between wealthy commercial actors and landowners in terms of buying land, and, in general, the sharing of risks and profits in new ventures. Villages, towns, and even cities will have a harder time because their political influence is becoming blurred in these increasingly disputed places.

**Land Disputes.** India is caught in a heated governmental discourse on how agricultural land can and should be acquired fairly to cater to economic and urban development. The 1898 Land Acquisition Act (LAA), instituted by India's former colonial master, has for over 100 years been the legal basis for mandatory land purchase but is now finally being rewritten by the

Indian Legislature. The ruling elite has been obliged to reexamine the law in light of ferocious conflicts such as the Singur demonstrations that evicted a Tata Nano automobile factory in West Bengal, the bloody skirmishes on land procurement for the Yamuna Expressway that links Agra and Delhi, and the human barricade of dissenting ethnic groups against the buying of territory for steel works in Orissa (Balakrishnan, 2013).

**Imbalanced Resource Access.** Subnational governments—the municipalities—have uneven access to resources. Imbalances are bound to happen even if some municipalities have similar population, area, and power. Indian cities and towns are evenly matched in many economic and technological activities but they are overburdened when it comes to infrastructure and public goods provision. Interior polities suffer from prevalent decadence and mismanagement, which has driven substantial adverse costs. Public institutions tasked with basic services are facing critical resource crisis (Rai & Singh, 2008).

**Strong Central Government Control.** The municipalities heavily rely on the national government for their funds. The national government also has more power than does local government to “levy taxes and user charges, set rates, grant exemptions, borrow funds, etc.” For most states, a large portion of the revenues generated within the jurisdiction goes to the national government, except in customs-levying states (Rai & Singh, 2008, p. 68).

**Internal Revenues Confused with Fund Transfers from the National Government.** Tax collection and national allotments are

the main foundations of local budgets, with property tax being the most central. Client fees are gradually becoming common but have yet to displace primary funding bases. Loans are a rather modest source of revenue for local governments (Rai & Singh, 2008).

**Systematic Inefficiency.** Municipalities cannot maximize their own local resources. Kalirajan and Otsuka (2010) mentioned that the federal government has mechanisms to promote equitable growth in all the states by improving human capital. However, disparities between Indian states continue, despite considerable spending on health and education, due to the structural inefficiencies in their decentralization program and delivery of services. Rai and Singh (2008) recommended that the delivery system of these services should be improved to address the problems of public service provision for the growing population, especially in urban areas.

## Philippines

Decentralization in the Philippines has been viewed as one of the most far reaching in the developing world (Guess, 2005). The 1991 Local Government Law extended the jurisdiction of local governments and expanded on healthcare, social benefits, ecological preservation, roads, bridges, and land use (Teng-Calleja et al., 2016). This delegation granted local authorities considerable resources and responsibilities (Tapales, 2015). These local bodies face challenges to “take the reins” of functions that national ministries performed previously. With increasingly complex, voluminous tasks, local bodies are always keen to come up with novel designs to deliver public goods (Calugay, 2013) and to

be more competent and resourceful in their practices (Cabo, 2007).

Alex Brillantes (2012) stated that in the pre-LGC (Local Government Code of 1991) era, the downward transfer of state power and function was better characterized as deconcentration rather than devolution. The enforcement of this law made genuine decentralization possible, which was backed by the principle of making subnational authorities near and answerable to the electorate and bolstering effective service provision. However, the Philippines was the least effective performer in delegating public health services. So the World Bank suggested that the country and its neighbors must have an enhanced education system to lessen socio-economic inequality (World Bank, 2005). Ample administrative and technical capabilities, well-coordinated, interoperable management information systems, and robust, properly functioning accountability devices have to be in place. On the bright side, many novelties at the grassroots have developed Philippine decentralization through the well-known Galing Pook Awards, which empowered local authorities in funding and implementing outstanding initiatives.

Significant landmarks to modern Philippine decentralization are: community development in the 1950s, deconcentration (RA 5185) and devolution of farming, health, and engineering in the 1960s, and the passage of the first Local Government Law (Batas Pambansa 337, National Law 337). When Marcos was ousted, the country devolved considerably, due to the 1991 Local Government Code (RA 7160) which increased subnational governments' budgets

and provided the basis for local government-NGO collaboration and direct people's participation in public administration (Brillantes, 2012).

### *Greater Citizen Participation*

Subnational authorities guaranteed the achievement and sustainability of their programs by instituting popular involvement. One department head in Naga City argued that "more people will listen to you when the policies and programs came from their own expressed needs." (Teng-Calleja et al., 2016, p. 14). A local leader in Naga, Camarines Sur, saw that communicating regularly with stakeholders was crucial to continuity and added that it is exceptionally tough to discontinue initiatives that citizens have already embraced. They established devices to minimize indifference and encourage contributions from many people, such as participative meetings with the general public, volunteerism in public projects, and sectoral associations and partnerships (Teng-Calleja et al., 2016).

### *Better Public Welfare at the Local Level*

Several infrastructure projects, capacity-building programs, and better-funded social services resulted in advances for the local economy and livelihoods. An authority figure in Upi in Maguindanao, southern Philippines, noted that it used to take three to four hours to traverse bad roads from Cotabato City to Upi, but that had been reduced to half an hour. A resident of Dumingag proudly declared the town to be free of gambling and smoking. These developments surely made people from these areas motivated and proud (Teng-Calleja et al., 2016).



### *Issues and Challenges*

**Resistance of Higher Authorities to Change.** Filipino national and provincial leaders reasoned that local administrators did not have the capacity, and peoples' groups were too frail to ensure accountability of local officials. It was contended that decentralization will further entrench clientelistic practices and breed favoritism and frail organizations (Guess, 2005). Actually, there are assorted outcomes, with local administrations displaying both capabilities and shortcomings in leading their communities (Tapales, 2015). Nevertheless, there are several effective local administrations that show how consultative leadership can beget greater confidence in the government and better results for the people (Ishii et al., 2007).

**Local Governments' Capacities.** Capacity-building is key. These roles need practical and specialized knowledge that many local government personnel do not possess. Intensive operations like solid waste management, pollution control, advanced health services, and numerous other tasks require not only technical know-how but also a trained staff, so many rural local administrations are not capable of performing these operations (Reyes, 2016).

**Dependence on Domestic Income Allocations from the Central Government.** For a sustainable local fiscal space, local governments in developing nations must utilize significant sources of taxes as well as non-tax collections via user fees. To competently marshal sufficient finances, local authorities in developing countries should prove to potential investors that they are creditworthy, then contemplate using

municipal bonds, bank loans, municipal development money, corporate bonds, equity markets, and public-private sector partnerships (PPP) (UN-HABITAT, 2015). Delegation of powers should always be accompanied by fiscal autonomy (Brillantes et al., 2013). Strong reliance on the Internal Revenue Allotment (IRA) results in little local fiscal independence, which facilitates greater leverage of the central government instead of fostering local authorities strong enough to respond to local conditions (Llanto, 2012).

**Local Governments Need to Create their Own Income Sources.** The IRA from the national government continues to be a main component of the budget of local governments indicating continuing financial dependency upon the national government (Reyes, 2016). "For some municipalities, the IRA accounts for 90% of total revenues. Since cities have more sources of local revenues, their IRA ranges from 50% to 70% of their total budget." (House of Representatives Bill 3792, 2019). Local governments should therefore endeavor to create their own sources of revenue including local taxes and local enterprises.

**Central Government Continues to Hold Most of the Revenue Streams.** When the Philippines enforced the 1991 Local Government Code, the national government's functions were delegated to local authorities. However, the local revenue sources were not augmented to meet the increasing challenges. And so, the latter largely relied on fiscal transfers from the center (Uchimura & Suzuki, 2012). It is lamentable that the Philippines is heading toward greater "executive devolution" of nationwide services, yet there is continued

financial centralization where decent allotments have to be personally discussed with the president or the Budget Ministry (Briones, 2015). With this, some officials take care to endear themselves to the sitting chief executive and the budget secretary, thus prolonging clientelistic affairs.

### *Innovations on Local Governance in the Philippines*

Dr. Alex B. Brillantes, Jr. (2003) shared a story: numerous laudable government practices have been documented by the Galing Pook Foundation over the years, which assesses entries based on effective public goods provision, encouragement of citizen participation, socio-economic/environmental benefits, and replicability. The Galing Pook Awards is now regarded as a “high industry benchmark” where there can be friendly competition, hence “coopetition” (cooperation-competition). Coopetition (or co-opetition) was first used by B.J. Nalebuff and A. Brandenburger (1996) when they adopted an idea from game theory economics. It pertains to a competitive setting where a rival entity (i.e., business, government) is both a competitor and a partner.

The cases judged to be the best or good local governance practices are those that have demonstrated inventiveness, resourcefulness, and initiative at the local level for the common good. One common approach that local governments take is “clustering,” where adjacent localities enter into partnerships that result in a common resource pool. For transparency and accountability, strong local self-governance had emboldened the people of Legazpi and Naga in the Bicol Region to participate in governance. An example is that they

meticulously note local candidates’ promises presented through television, newspapers, and radio and have them analyzed, collated, and posted in public places.

A national training office, the Local Government Academy, has shifted away from conventional classroom mass-lectures to active case studies and direct student interaction where local leaders share with their colleagues the “best practices” they have done in their localities, embracing the belief that example and experience are the best educators. Knowledge sharing activities have been enhanced by study trips (lakbay aral) to facilitate appropriate emulation and/or customization. With these positive developments, policy guidance will be the prime role of the central government, making the center less likely to intervene in local affairs. When the situation is conducive and when the government explicitly allows it, civil society organizations and private firms may perform some functions done by public agencies. It goes to show that varying forms of decentralized governance, with decent supervision and capacity-building, are suited to respond to complex, rapid changes where centralization has failed. It also provides current and future leaders the chance to develop more and become globally competitive (Brillantes, 2003) because every challenge offers an opportunity (Romero, 2008).

### **Deepening Decentralization: Vital Areas of Reform**

As suggested at the outset, decentralization has been adopted as a strategy to reform governance and public administration in some Asian countries.

While the picture differs from country to country, it may be concluded that there are some issues and concerns that transcend borders, political, social, and economic conditions, and cultures. These include capacities, lack of resources, and continuing dominance by the central government. It is within this context that we suggest a framework that points out the vital areas of reform (Brillantes & Calina, 2013). The following are some areas of reform that may be considered and targeted as suggested by the following stylized framework shown as Figure 1.

1. Reforms in Institutions, Processes and Procedures
2. Reforms in Mindsets, Paradigms and Behavior
3. Reforms enabled by Leadership and Political Will
4. Reform enabled by Active Citizen Engagement
5. Reforms are consciously communicated to stakeholders to enable ownership and sustainability

Figure 1

*Reform Governance Framework*



**Note:** The Reform Governance Framework points out vital areas for any country intending to conduct public sector reform to attain and sustain development for its people (Brillantes & Perante-Calina, 2018, p. 168)

The background (i.e. political and social history, characteristics, culture, and socio-economic conditions) within which reforms are to be commenced must be acknowledged. This includes the “glocal” (global - yet local) situations where global challenges like environmental conservation are felt in local communities. When local communities are allowed to participate, for example by giving them the leeway to manage access to large wood and fishing stocks in mangrove forests, it offers a promising option instead of strictly restricting areas in a way that ignores local peoples (Lugo et al., 2014). It was found by Saint Paul (2006) that in many cases local natural resource management has been more useful in caring for mangrove and other forests than the reserve zones overseen by the Brazilian federal government. Natural coastal spaces like mangroves not only help in food security, but also keep local coasts from eroding, a significant protection from environmental degradation (Godoy & Lacerda, 2015). And so, correspondingly imperative is to be cognizant of the need to join forces with other participants to attain a mutually beneficial goal, while encouraged by friendly competition, hence “coopetition.” It is within the context of the above that the following recommendations are offered.

### **Encourage and Enable Active Citizen Participation**

This is supremely important if any decentralization or autonomy arrangement is to have any legitimacy and popular acceptance. Minority groups often contend that they are left out. Hence, it is better to involve not just national and local authorities but also the people who will

directly feel the effects of these agreements. Tomacruz (2019) stated that a novel example was seen in the Philippines where the government held polls concerning the creation of Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), which supplanted the Autonomous Region in Muslim Mindanao (ARMM). Many people in primary areas in Mindanao approved of the Republic Act 11054, also known as the Bangsamoro Organic Law (BOL), by writing a Yes for their city’s addition to the new autonomous sub-state. They were even allowed to write in their own language and the results practically enforced the law.

Capacity-building for local governments can never be overstated for the success of decentralization. Even if political authorities are given genuine political and fiscal devolution, without the requisite knowledge, legal authority and financial resources will be just underutilized or even wastefully squandered. Fengler and Hofman (2009) pointed out that in Indonesia, despite a considerable level of accomplishment in decentralization and local governments able to produce monetary surpluses, cash held by local governments often just sits in banks instead of being used effectively.

### **Regular Dialogue Among the Localities that Demand Greater Autonomy**

To attain an amicable settlement and better implementation, adjacent local communities need to have a series of confidence-building measures among themselves to convey their objectives clearly and make a united effort to help materialize them. Thangboi Zou (2012, p. 325) notes,

“it is illogical for the central government to initiate a political dialogue with diverse groups making diverse claims.” For a country with a very diverse ethno-linguistic demography, ethno-federal arrangements can be unusually complicated so sub-state autonomy arrangements may be more appropriate.

As Christa Deiwiks (2011) had shown, when a larger nation-state persists to be moderately or very heterogeneous (ethnically and linguistically varied), the probability of tensions and sporadic warfare becomes more likely. This is both in terms of failing to increase the power of the political unit by the dominant group within an area (like in Bodos, India where the Bodoland Territorial Council may not even be in a majority) and also in the possible exploitation of minor ethnic groups within that region. So, an autonomy arrangement does not necessarily encourage separatist impulses, but rather restrains them because local self-governance gives groups the chance to practice their traditions and run their activities without national government meddling, hence ensuring crisis avoidance and social stability (Mehler, 2001).

Granting greater degree of self-governance should be part of a wider accommodation of groups within central power structures (i.e., traditions, the

constitution). Decentralization is one of the ways to keep political, social, and ethnic tensions at bay, if not outright resolve them. Nevertheless, it is always best to work within the boundaries of the national charter to be aware whether principles and powers are negotiable or not.

### Concluding Statement

Indeed, as the country experiences presented here have shown, decentralization as a development strategy has been adopted by a number of countries in the region that have confronted challenges of inequality and inequity, ethnic and religious differences, insurgency, and uneven distribution of resources from national governments. Decentralization as a strategy includes the imperatives for local capacity building and designing variations of affirmative action strategies. Deepening these decentralization strategies has to be addressed by employing a variation of a whole of governance approach, suggesting reforms in institutions and mindsets, and enabled by leadership and citizen engagement, the latter of which is what decentralization is all about: returning power to the citizens—the people—who, after all, are the major stakeholders, and the *raison d'être* of government and public administration.

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# Governance Deficit and Institutional Challenge in East and Southeast Asia\*

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## Abstract

In the wake of globalization and democratization the environment of national governance in East and Southeast Asia has changed dramatically over the past three decades. In this article I examine public views of the quality of governance across the region and contrast them with expert-based assessments. Analysis reveals that public perceptions diverge greatly from expert evaluations and that from both perspectives the region's countries face various governance deficits and institutional challenges for better governance. In the eyes of ordinary people, institutions of national governance across much of the region remain weak in accountability and rule of law, two mechanisms constraining the exercise of state power. Surprisingly, public demand for better governance is found to be far weaker in low-performing countries than high-performing ones, indicating that high-performing affluent democracies tend to face stronger political pressure for institutional reform for better governance than low-performing authoritarian regimes. The finding suggests that perhaps because of distinct political histories and different levels of development, the region's countries seem to confront different immediate institutional challenges for good governance.

*Keywords:* quality of governance, government effectiveness, accountability, rule of law

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## Introduction

The primary purpose of this article is to examine the nature of governance problems facing East and Southeast Asian countries from the perspective of ordinary people. The region's countries have developed a variety of institutional arrangements for national governance, reflecting distinct political histories and levels of development. Yet, in the wake of globalization and democratization in the late twentieth century, they appear to face institutional challenges of making national governance more effective, transparent, and accountable. Considering the institutional challenges for good governance, it seems opportune to ask the following questions. Do East and Southeast Asian countries measure up to the challenges? How well or badly do their institutions of governance fare in the eyes of their publics? Which institutional aspect of good governance is most or least lacking?

We first examine expert-based assessments of the quality of governance across the region. Since public views ultimately affect the legitimacy of governing institutions for the common good, we then focus on public perceptions of the quality of governance. By utilizing the most recent public opinion data drawn from a region-based cross-national survey, we examine how ordinary people view the institutional quality of governance and which institutional aspect of good governance is viewed as weak or lacking. In doing so, we shed some light on governance deficits across the region and help understand the kinds institutional challenges facing the region's countries.

## Dimensions of Governance

Despite its ubiquitous use, there is little consensus on the meaning of the term "governance." Some emphasize the capacity and behavior of government while others focus on the provision of public goods (Fukuyama, 2013; Rothstein & Teorell, 2008; Rotberg, 2015). In development theory, on which the present study largely draws, it pertains to a set of institutions including the state (Pomerantz, 2011). The World Bank's Worldwide Governance Indicators (WGI) project broadly defines governance as "the traditions and institutions by which authority in a country is exercised. This includes (1) the process by which governments are selected, monitored, and replaced; (2) the capacity of the government to effectively formulate and implement sound policies; and (3) the respect of citizens and the state for the institutions that govern economic and social interactions among them" (Kaufmann et al., 2009; World Bank, 1992). This conceptualization of governance encompasses a wide range of institutional dimensions, which are largely associated with the exercise of state power. In highlighting the role of law, a recent World Bank report defines governance as "the process through which state and nonstate actors interact to design and implement policies within a given set of formal and informal rules that shape and are shaped by power" (World Bank, 2017, p. 41), emphasizing a power-based understanding of governance.

Fukuyama (2013) defines governance rather narrowly as "a government's ability to make and enforce rules, and to deliver services, regardless of whether that

government is democratic or not.” He explicitly rules out democratic elements from the definition and confines governance to the executive or administrative function of any government. He then distinguishes between four approaches to evaluating the quality of governance.<sup>1</sup> Each emphasizes procedures, capacity, outputs, and bureaucratic autonomy, respectively. Rejecting the approaches based on procedures or outputs, he suggests that the quality of governance is to be found at the interaction between capacity and bureaucratic autonomy. He maintains that good governance requires an administrative state apparatus with high capacity and an appropriate degree of bureaucratic autonomy.

Norris (2012) distinguishes between democracy and governance and combines them to develop a theory of democratic governance. The democracy dimension pertains to the extent to which citizens have the capacity to express their demands and to hold elected officials to account. On the other hand, the governance dimension pertains to the extent to which state agencies have the capacity to enforce laws and implement policies. She maintains that “expanding either the demands of democracy or the supply of governance alone is regarded as insufficient; instead the combination of both factors working in tandem is predicted to provide the conditions most conducive to prosperity, welfare, and peace” (Norris, 2012, p. 38). This seems to echo a view that a successful modern liberal democracy requires a balanced combination of three sets of institutions - the effective state, rule-of-law institutions, and institutions of accountability (Fukuyama, 2011).

Considering these conceptualizations and distinctions, we focus on institutional aspects of good governance rather than outputs or outcomes. Although institutional aspects of good governance vary, in line with the prior theory and research we consider three dimensions of good governance: effectiveness, accountability, and law-abidingness. Hence, we suggest that good governance requires the establishment of an effective state apparatus (with the executive or administrative function), rule-of-law institutions, and mechanisms of accountability. No modern state can be effective unless it develops a merit-based professional bureaucracy (distinguishable from patronage-based bureaucracy). Yet, an effective state alone is insufficient for good governance. Other sets of institutions associated with accountability and rule of law, the hallmarks of liberal democracy, are required for the common good: they play a key role in constraining the arbitrary exercise of power by the state, by “forcing it to use its power according to certain public and transparent rules, and by ensuring it is subordinate to the will of the people” (Fukuyama, 2011, p. 16). In this sense, three dimensions of good governance highlight not only an effective state with despotic and infrastructural power but also legal and political institutions constraining the power of the state (Mann, 1986).

There are other dimensions of good governance worthy of consideration. Political inclusiveness ensuring growth for all may be one of them. For instance, Acemoglu and Robinson (2012) distinguish inclusive institutions where “many” people are included in the process of governing from

<sup>1</sup> For a comparative overview of governance indicators, see Haber and Kononykhina (2018).

extractive institutions where a “small” group of individuals do their best to exploit. Similarly, besides state/bureaucratic capacity for order and growth, Centeno, Kohli and Yashar (2017) include “the ability of the state to incorporate the entire population, to promote social wellbeing, and to establish itself as the property of no particular group or sector” (p.21), which is closely associated with institutions of political and social inclusion. Yet, to the extent that inclusiveness entails open access to political power, it may be viewed as related to institutions of vertical, if not horizontal, accountability (O’Donnell, 1998). Vertical accountability emphasizes the interaction between citizens and government while horizontal accountability emphasizes checks and balances between countervailing institutions of government. Since inclusiveness entails democratic participation and representation, it reflects popular control of government based on the principle of political equality.

Another important dimension of good governance that merits consideration is absence of corruption, which is often equated with good governance. Since corruption is seen as a syndrome or the main cause of bad governance, control of corruption is treated as a separate dimension of good governance. The standard definition of corruption considers it the misuse of public office or power for private benefit (Johnston, 2001), emphasizing privileged access to public resources. Since rule of law is associated with a set of rules of behavior

enabling control of corruption, in this study we consider control of corruption to be a subdimension of rule of law.<sup>2</sup>

In sum, in this study we focus on three institutional aspects of good governance, namely, government effectiveness, rule of law (including control of corruption), and accountability (including inclusiveness).

### Expert-Based Evaluations

Before presenting public views of the institutional quality of national governance in East and Southeast Asia, we first examine expert-based assessments distinguishable from public perceptions, although both are inherently subjective.<sup>3</sup> I use the World Bank’s Worldwide Governance Indicators (WGI), which are based on the perceptions of expert respondents. Despite its conceptual and measurement problems (Arndt & Oman, 2006), the WGI are among the most widely used measures of the quality of national governance (Norris, 2011). Using composite indicators, the WGI focus on six dimensions of governance (Kaufman et al., 2009): voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, and control of corruption. The indicators are reported in their standard normal units, ranging from -2.5 to +2.4 as well as in percentile rank terms from 0 to 100, with higher values indicating better governance. The percentile ranking points to each country’s relative strengths and shortcomings.

<sup>2</sup> One of the nine dimensions of the World Justice Project Rule of Law Index is absence of corruption (Betro & Ponce, 2011).

<sup>3</sup> For the costs and benefits of objective and subjective governance indicators, see Hollyer (2018).

Of the six dimensions, voice and accountability, government effectiveness, rule of law, and control of corruption correspond roughly to institutional aspects of good governance of which public views are examined here, that is, accountability

and inclusiveness, effectiveness, and law-abidingness. Table 1 shows point estimates and rankings of these dimensions of the WGI in 2016, around which public opinion data analyzed here were collected.

**Table 1**  
*Quality of Governance in East and Southeast Asia, 2016*

	Government Effectiveness		Voice and Accountability		Rule of Law		Control of Corruption	
	Point Estimate	Percentile Rank	Point Estimate	Percentile Rank	Point Estimate	Percentile Rank	Point Estimate	Percentile Rank
Cambodia	-0.69	24.52	-1.11	18.23	-1.06	12.98	-1.27	9.13
China	0.36	67.31	-1.56	7.39	-0.33	41.35	-0.25	49.04
Hong Kong	1.84	97.12	0.38	58.13	1.72	93.27	1.61	92.31
Japan	1.82	95.67	0.99	77.34	1.42	89.42	1.52	90.38
Korea	1.07	80.77	0.64	68.47	1.16	86.06	0.48	67.79
Indonesia	0.01	52.88	0.17	51.72	-0.34	40.38	-0.40	41.83
Malaysia	0.87	75.96	-0.42	33.99	0.50	69.23	0.03	58.17
Mongolia	-0.10	50.48	0.33	56.65	-0.22	45.67	-0.45	41.83
Myanmar	-0.98	16.35	-0.80	24.14	-0.89	17.79	-0.56	32.21
Philippines	-0.02	51.92	0.16	51.23	-0.35	39.42	-0.48	39.90
Singapore	2.19	100.00	-0.15	40.89	1.83	96.15	2.13	97.60
Taiwan	1.37	89.42	1.01	79.80	1.14	85.58	0.96	81.25
Thailand	0.34	66.35	-1.03	21.67	0.00	54.33	-0.39	42.79
Vietnam	0.01	53.37	-1.37	10.34	0.08	56.73	-0.58	31.73

Source: WGI 2016

First, the WGI government effectiveness indicator reflects “the quality of public services, the quality of civil service and the degree of its independence from political pressures, the quality of policy formation and implementation, and the credibility of the government’s commitment to such policies.” It is close to Fukuyama’s

conceptualization of good governance based on bureaucratic capacity and autonomy. As presented in the table, Singapore leads the region in the assessment of government effectiveness. It is followed by Hong Kong, Japan, Taiwan, and South Korea. They are in the top 20 percent of the countries/territories evaluated. On the other hand,

Myanmar exhibits the lowest score. It is followed by Cambodia, Mongolia, and the Philippines, with all negative scores. Myanmar is in the bottom 20 percent. Notable is that Mongolia and the Philippines, new electoral democracies, fare more poorly than China and Vietnam, one-party authoritarian regimes.

Second, the WGI voice and accountability indicator reflects “the extent to which a country’s citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association and a free media.” It emphasizes open and equal access to political power enabling inclusive and accountable governance. Taiwan leads the region in the assessment of voice and accountability. It is followed by Japan and South Korea. Although they fail to make the top 20 percent of the countries/territories evaluated, they are still part of the top 66 percent. On the other hand, China registers the lowest score. It is followed by Vietnam, Cambodia, Thailand, Myanmar, Malaysia, and Singapore, all with negative ratings, indicating a lack of democratic accountability. Of them, China, Vietnam, Cambodia, Thailand, and Myanmar are among the bottom 33 percent of the countries/territories evaluated.

Third, the WGI rule of law indicator reflects “the extent to which agents have confidence in and abide by the rules of society and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.” It emphasizes the role of law in ordering behavior (World Bank, 2017) conducive to rule-bound governance. Singapore leads the

region in the assessment of rule of law. It is followed by Hong Kong, Japan, South Korea, and Taiwan. Singapore and Hong Kong are among the top 10 percent of the countries/territories evaluated while Japan, South Korea, and Taiwan, the top 20 percent. On the other hand, Cambodia displays the lowest score. It is followed by Myanmar, the Philippines, Indonesia, China, and Mongolia, all with negative ratings, indicating weak rule of law. Of them, Cambodia and Myanmar are among the bottom 33 percent of the countries/territories evaluated.

Finally, the WGI control of corruption indicator reflects “the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as ‘capture’ of the state by elites and private interests.” It reflects political favoritism and particularism in the public sector. Singapore again leads the region in the assessment of corruption control. It is followed by Hong Kong, Japan, Taiwan, and South Korea. Singapore, Hong Kong, and Japan are part of the top 10 percent of the countries/territories evaluated. Taiwan is among the top 20 percent. South Korea, whose score barely falls into the top 66 percent, seems distinct from its democratic neighbors. On the other hand, Cambodia exhibits the lowest score. It is followed by Vietnam, Myanmar, the Philippines, Mongolia, Indonesia, Thailand, and China, all with negative scores, indicating a lack of public integrity. Of them, Cambodia, Vietnam, and Myanmar are in the bottom 33 percent of the countries/territories evaluated.

The cases examined may be divided into three groups in terms of the percentile

rank: low performers (whose ratings fall into the bottom 33 percent), middling performers (whose ratings fall into the middle 33-66 percent), and high performers (whose ratings fall into the top 66 percent). For the sake of simplicity, we utilize three dimensions of good governance, that is, government effectiveness, voice and accountability, and rule of law.

Table 2 shows the patterns of institutional configuration in terms of government effectiveness and voice and accountability. Cambodia and Myanmar display low performance on both dimensions, indicating overall poor

governance. By contrast, Japan, South Korea, and Taiwan exhibit high performance on both dimensions, suggesting that two institutions of good governance exist in some sort of balance. Notably, new democracies such as Indonesia, Mongolia, and the Philippines display only middling performance on both dimensions. Equally notable is that China, Thailand, Malaysia, and Singapore display high performance on effectiveness, but low or middling performance on accountability, suggesting that effective states are not balanced by mechanisms of accountability.

**Table 2**

*Institutional Patterns of Effectiveness and Accountability: Expert Views*

Voice and Accountability	Government Effectiveness		
	Low performance	Middling performance	High performance
Low performance	Cambodia Myanmar	Vietnam	China Thailand
Middling performance		Indonesia Mongolia Philippines	Hong Kong Malaysia Singapore
High performance			Japan South Korea Taiwan

**Note:** High performance=ratings fall into the top 66 percent; middling performance=ratings fall into the middle 33-66 percent; and low performance=ratings fall into the bottom 33 percent.

**Source:** WGI 2016

Table 3 shows the patterns of institutional configuration in terms of government effectiveness and rule of law. Cambodia and Myanmar display low performance on both dimensions, indicating overall poor governance. By contrast, Japan,

South Korea, and Taiwan as well as Hong Kong, Malaysia, and Singapore display high performance on both dimensions, indicating that effective states are balanced by rule-of-law institutions. Notably, Indonesia, Mongolia, Vietnam, China, and Thailand

display middling or high performance on effectiveness but only middling performance on rule of law, suggesting that effective states are unbalanced by weak rule of law.

**Table 3**

*Institutional Patterns of Effectiveness and Rule of Law: Expert Views*

Rule of Law	Government Effectiveness		
	Low performance	Middling performance	High performance
Low performance	Cambodia Myanmar		
Middling performance		Indonesia Mongolia Philippines Vietnam	China Thailand
High performance			Japan South Korea Taiwan Hong Kong Malaysia Singapore

**Note:** High performance=ratings fall into the top 66 percent; middling performance=ratings fall into the middle 33-66 percent; and low performance=ratings fall into the bottom 33 percent.

**Source:** WGI 2016

From the perspective of experts, Japan, South Korea, and Taiwan have developed a balanced combination of high-quality institutions. Singapore, Malaysia, and Hong Kong maintain a less balanced combination in which mechanisms of accountability remain weak. China and Thailand manage to preserve a least-balanced combination in which neither mechanisms of accountability nor rule-of-law institutions are strong. Cambodia and Myanmar have a combination of low-quality institutions creating bad governance. Indonesia, Mongolia, the Philippines, and Vietnam fare better than

Cambodia and Myanmar but remain far short of good governance.

Bearing in mind that perceptions are not reliable, we now turn to public evaluations with the assumption that citizens are the final arbiters of the quality of governance and that their views shape institutional challenges for better governance.

### Public Perceptions

In this section I present how ordinary people view the quality of national governance by utilizing cross-national public opinion



data drawn from the fourth round of Asian Barometer Survey (ABS IV) conducted between 2014-16.<sup>4</sup> The ABS is the region's first comparative survey of public attitudes toward democracy and governance. As discussed above, we focus on four institutional aspects of good governance: effectiveness, accountability, inclusiveness, and law-abidingness. Inclusiveness here may capture some of what the WGI's voice and accountability indicator reflects while law-abidingness may correspond roughly to the WGI's rule of law indicator.

### **Effectiveness**

We first turn to public perceptions of government effectiveness. Two questions are selected to ascertain public views of the quality of governance on this dimension. The first asks, "What are the most important problems facing this country that government should address?" For those who give an answer to this, a follow-up question is asked: "How likely is it that the government will solve the most important problem you identified within the next five years?" Four response categories are provided: very likely, likely, not very likely, and not at all likely. This is one of the questions used to measure government effectiveness. The other question used asks respondents whether they agree or disagree

with the statement, "Over the long run, our system of government is capable of solving the problems our country faces." Unlike the WGI government effectiveness dimension, which largely captures the quality of civil service and its independence, the ABS's measure reflects government's overall capacity to solve collective problems more than bureaucratic capacity. The first column of Table 4 presents PDI (Percentage Differential Index) scores, which are computed by subtracting the percent of those giving negative responses to both questions from the percent of those giving positive responses.

Surprisingly, Vietnam enjoys the highest level of public approval. It is followed by Indonesia and Thailand. Notice that Vietnam and Indonesia are middling performers on the WGI government effectiveness dimension. By contrast, Taiwan displays the lowest level of public approval. It is followed by Japan and Hong Kong. They display negative PDI scores, indicating that those giving approval are outnumbered by those giving disapproval. Taiwan, Japan, and Hong Kong are in the top 10 percent of the WGI ratings of government effectiveness. The results indicate a huge discrepancy between public perceptions and expert-based assessments.

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<sup>4</sup> The survey year and the sample size of the countries or territories analyzed are as follows: Cambodia (2015; N=1,200), China (2015/16; N=3,960), Hong Kong (2016; N=1,217), Indonesia (2016; N=1,550), Japan (2015; N=1,081), Malaysia (2014; N=1,207), Mongolia (2016; N=1,228), Myanmar (2015; N=1,620), Philippines (2014; N=1,200), Singapore (2014/15; N=1,039), South Korea (2015; N=1,200), Taiwan (2014; N=1,657), Thailand (2014; N=1,198), and Vietnam (2015; N=1,200). For Asian Barometer Survey, see <http://asianbarometer.org>.

**Table 4**  
*Public Evaluations of Quality of Governance*

	Effectiveness	Accountability	Inclusiveness	Law-abidingness
Cambodia	+28.1	-7.1	+13.3	+4.6
China	+23.7	NA	+41.0	+17.5
Hong Kong	-7.6	+6.1	+14.2	+58.0
Japan	-9.9	-9.9	-29.5	+26.7
Korea	+9.1	-13.9	-35.1	-20.4
Indonesia	+62.9	+16.4	+63.9	-5.6
Malaysia	+36.4	+13.6	+33.5	-3.2
Mongolia	+38.9	-4.9	+22.3	-18.5
Myanmar	+2.3	+0.4	+10.7	+15.2
Philippines	+36.3	+9.2	-29.0	-13.5
Singapore	+45.0	+14.9	+42.6	+65.5
Taiwan	-29.6	+5.2	-28.2	-24.2
Thailand	+56.8	+6.5	+74.2	+22.5
Vietnam	+74.5	+26.1	+73.8	+53.3

**Note:** Entries are PDI scores computed by subtracting the percentage of those having negative responses to both questions from that of those giving positive responses to them. The scores range from -100 to +100.

**Source:** ABS IV 2014-16

### Accountability

We now turn to public perceptions of accountability, more precisely vertical, rather than horizontal, accountability (Diamond & Morlino, 2004).<sup>5</sup> Two questions are chosen to ascertain public views of the quality of governance on this dimension. One asks, “How much do you feel that having elections makes the government pay

attention to what the people think?” Four response categories are provided: a good deal, quite a lot, not much, and not at all. The other asks respondents whether they agree or disagree with the statement “Between elections, the people have no way of holding the government responsible for its actions.” The second column of Table 4 presents PDI scores, which are computed by subtracting the percent of those giving

<sup>5</sup> The people’s influence over government is one of the hallmarks of democratic governance. Since this aspect of popular control emphasizes the interplay between citizens and elected representatives, it may be called vertical accountability distinguishable from horizontal accountability (Schedler, 1999). The essence of vertical accountability is based on the ability of the people to make the government accountable and responsive.

negative responses to both questions from the percent of those giving positive responses.

Unexpectedly, Vietnam, one of the low performers on the WGI voice and accountability dimension, enjoys the highest level of public approval. It is followed by Indonesia, Singapore, and Malaysia. The latter two are not even in the top 66 percent of the WGI ratings of voice and accountability. By contrast, South Korea displays the lowest level of public approval. It is followed by Japan, Cambodia, and Mongolia. They display negative PDI scores, meaning that those giving disapproval are more numerous than those giving approval. Notably, Japan and South Korea are in the top 66 percent of the WGI ratings of voice and accountability. Again, the results show that public perceptions diverge greatly from expert-based assessments.

### **Inclusiveness**

Let us turn to public perceptions of inclusiveness. Since inclusiveness entails equal and open access to political power, it reflects government's equal treatment for everyone, that is, impartiality and universalism. Two questions are selected to ascertain public views of the quality of governance in terms of inclusiveness. One asks respondents whether they agree or disagree with the statement, "Rich and poor people are treated equally by the government." The other asks them whether they agree or disagree with the statement, "All citizens from different ethnic communities are treated equally by the government." The third column of Table 4 shows PDI scores, which are computed by subtracting the percent of those giving negative responses to both questions from

the percent of those giving positive responses.

Thailand enjoys the highest level of public approval. It is followed closely by Vietnam and Indonesia. Notice that Thailand and Vietnam are in the bottom 25 percent of the WGI voice and accountability ratings. Even Indonesia is not part of the top 60 percent of the WGI voice and accountability ratings. By contrast, South Korea displays the lowest level of public approval. It is followed by Japan, the Philippines, and Taiwan. They exhibit negative PDI scores, indicating that those giving approval are outnumbered by those giving disapproval. Notice that South Korea, Japan, and Taiwan are in the top 66 percent of the WGI voice and accountability ratings. Again, the results show a huge gap between public perceptions and expert-based assessments.

### **Law-abidingness**

We finally turn to public perceptions of official law-abidingness, a core aspect of rule of law. Binding public officials to rule by law is widely considered the sine qua non of the rule of law (Kleinfeld, 2006). It should be emphasized, however, that rule of law, not mere rule by law, protects citizens from government's arbitrary or wrongful exercise of power. Since no one is above the law, impunity should not be given to law-breaking public officials.

Two questions are chosen to ascertain public views of the quality of governance in terms of law-abidingness. One asks respondents "How often do you think government leaders break the law or abuse their power?" Four response categories are provided: always, most of the time,

sometimes, and rarely. The other asks them: “Do officials who commit crimes go unpunished?” The same four response categories are provided. The last column of Table 4 presents PDI scores, which are computed by subtracting the percent of those giving “always” or “most of the time” from the percent of those giving “sometimes” or “rarely” to both questions.

Singapore enjoys the highest level of public approval. It is closely followed by Hong Kong and Vietnam. Singapore and Hong Kong are among the top 10 percent of the WGI ratings of rule of law. Yet, contrary to the public evaluations, Vietnam is only a middling performer on the WGI rule of law dimension. By contrast, Taiwan displays the lowest level of public approval. It is followed by South Korea, Mongolia, and the Philippines. Taiwan and South Korea are among the top 20 percent of the WGI ratings of rule of law. Again, the results show a large disparity between public perceptions and expert-based assessments.

To sum up, in terms of average PDI scores, effectiveness (with an average PDI score of 26.2) turns out to be least lacking across the region while accountability (with an average PDI score of 4.8) proves to be most lacking. In terms of the number of negative PDI scores, law-abidingness turns out to be most missing across the region as six out of fourteen cases display negative PDI scores. By contrast, effectiveness is least lacking across the region as three out of

fourteen cases display negative PDI scores. Overall, in the eyes of ordinary people, national governance across the region remains poor in accountability and law-abidingness, two mechanisms of constraining the exercise of public authority.

### Patterns

The cases examined here may be divided into three groups in terms of PDI scores: poor performers (whose PDI scores are equal to or less than -10), middling performers (whose PDI scores are greater than -10 but less than +10), and high performers (whose PDI scores are equal to or greater than +10). For the sake of simplicity, we utilize three dimensions of good governance, that is, effectiveness, accountability, and law-abidingness.

Table 5 shows the patterns of institutional configuration in terms of effectiveness and (vertical) accountability in the eyes of the public. Indonesia, Malaysia, Singapore, and Vietnam enjoy high levels of public approval on both dimensions, suggesting weak political pressure for governance reform. By contrast, Taiwan, South Korea, Japan, Hong Kong, and Myanmar suffer low levels of public approval, suggesting strong political pressure for governance reform. Even Cambodia, Mongolia, the Philippines, and Thailand enjoy high levels of approval on effectiveness, if not on accountability.

**Table 5***Institutional Patterns of Effectiveness and Accountability: Public Views*

Accountability	Effectiveness		
	Poor performance	Middling performance	Good performance
Poor performance	South Korea		
Middling performance	Taiwan	Hong Kong Japan Myanmar	Cambodia Mongolia Philippines Thailand
Good performance			Japan Indonesia Malaysia Singapore Vietnam

**Note:** Good performance=PDI scores equal to or greater than +10; middling performance=PDI scores greater than -10 but less than +10; and poor performance=PDI scores equal to or less than -10.

**Source:** ABS IV 2014-16

Table 6 shows the patterns of institutional configuration in terms of effectiveness and law-abidingness in the eyes of the public. China, Singapore, Thailand, and Vietnam enjoy high levels of public approval on both dimensions, indicating weak political pressure for governance reform. Cambodia, Indonesia, Malaysia, and

even Myanmar enjoy middle or high levels of public approval on law-abidingness. Mongolia and the Philippines enjoy high levels of public approval on effectiveness. Yet, Taiwan, South Korea, Japan, and Hong Kong suffer low levels of public approval on all or most dimensions, suggesting strong political pressure for governance reform.

**Table 6***Institutional Patterns of Effectiveness and Law-Abidingness: Public Views*

Law-abidingness	Effectiveness		
	Poor performance	Middling performance	Good performance
Poor performance	Taiwan	South Korea	Mongolia Philippines
Middling performance			Cambodia Indonesia Malaysia
Good performance		Hong Kong Japan Myanmar	China Singapore Thailand Vietnam

**Note:** Good performance=PDI scores equal to or greater than +10; middling performance=PDI scores greater than -10 but less than +10; and poor performance=PDI scores equal to or less than -10.

**Source:** ABS IV 2014-16

In the eyes of ordinary people, South Korea and Taiwan have failed to develop high-quality institutions of governance, indicating institutional challenges for improving governance. By contrast, Singapore, Vietnam, Thailand, Malaysia, Indonesia, Cambodia, and China are seen to have developed high or middling quality of institutions of governance, indicating a lack of public opinion in favor of institutional reform for better governance. Evidently, affluent new democracies face more popular dissatisfaction with the quality of national governance than non-democracies.

### Governance Deficit

Public perceptions and expert-based assessments reveal different strengths and weaknesses of institutions of governance across the region. As the wide discrepancy between them indicates, ordinary people

differ greatly from experts in their evaluations of governance and support for institutional challenges for good governance. Considering both expert-based assessments and public perceptions, the cases may be divided into five groups.

First, by expert-based assessments, Japan, South Korea, and Taiwan, all affluent democracies, have established effective government as well as institutions of accountability and rule-of-law. Yet, in the eyes of their publics they fare badly in most dimensions of good governance examined, suggesting strong popular pressure for institutional reform for better governance.

Second, by expert-based assessments, Cambodia and Myanmar, poor non-democracies, lack effective government as well as institutions of accountability and rule-of-law. Yet, in the eyes of their publics they do not fare badly in most dimensions of good governance examined, suggesting little

popular pressure for institutional reform for better governance.

Third, by expert-based assessments, Singapore, Hong Kong, and Malaysia, affluent non-democracies, have established effective government and rule-of-law institutions but lack institutions of accountability. Yet, in the eyes of their publics, Singapore, Malaysia, and Hong Kong fare well in all or most dimensions of good governance, suggesting that they face weak popular pressure for institutional reform for better governance.

Fourth, by expert-based assessments, China and Thailand, less affluent non-democracies, have established effective government but lack institutions of accountability and rule of law. Yet, in the eyes of their publics China and Thailand fare well in all four dimensions of good governance examined, indicating little popular pressure for institutional reform for better governance.

Lastly, by expert-based assessments, Indonesia, Mongolia, and the Philippines as well as Vietnam have failed to establish effective government or institutions of accountability and rule of law. Yet, in the eyes of their publics they fare well in most, if not all, dimensions of good governance examined, indicating that they face weak popular pressure for institutional reform for better governance.

The reform challenge for good governance varies from one country to another. Insofar as expert-based assessments are concerned, China and Thailand face the institutional challenge of improving electoral accountability as well as rule of law. Singapore, Hong Kong, and Malaysia face

the institutional challenge of improving electoral accountability. Indonesia, Mongolia, the Philippines, and Vietnam face the institutional challenge of improving government effectiveness, electoral accountability, and rule of law. Similarly, Cambodia and Myanmar face the institutional challenge of establishing basic institutions of good governance.

Considering public perceptions, however, Japan, South Korea, and Taiwan confront political pressure for institutional reform for better governance. More specifically, Japan faces the institutional challenge of improving inclusiveness; South Korea, inclusiveness and law-abidingness; and Taiwan, inclusiveness, effectiveness, and law-abidingness. By contrast, Singapore, Vietnam, China, and Thailand enjoy higher public approval of institutions of governance, indicating a lack of political pressure for institutional reform for better governance.

### Summary and Conclusion

In the wake of globalization and democratization the environment of national governance in East and Southeast Asia has changed dramatically over the last three decades. Across much of the region there has been bureaucratic and political institutional reform for making national governance more effective, accountable, and law-abiding. Against this backdrop, in this article we examine public views of the quality of governance across the region and contrast them with expert-based assessments. In doing so, we shed some light on the nature of governance malaise and the kinds of institutional challenges for good governance

across democratic and non-democratic parts of the region.

In this study the concept of governance largely pertains to the exercise of government power for the common good. Hence, indicators of governance quality reflect institutional capacity, behavior, or performance associated with the exercise of power. Considering prior theory and research, three sets of institutions of governance are distinguished: the state as an administrative institution, institutions of accountability (including inclusiveness), and rule-of-law institutions.

We utilize two sets of subjective data: general and expert. For expert-based assessments, the WGI's voice and accountability, government effectiveness, rule of law, and control of corruption dimensions are used to ascertain the quality of governance. For public evaluations, the ABS's questions are used to ascertain effectiveness, accountability, inclusiveness, and law-abidingness. Hence, the quality of governance here pertains to the perceived extent to which institutions of governance measure up to these standards.

It is found that public evaluations of governance diverge greatly from expert-based assessments. The democratic part of the region remains far short of citizen expectations of good governance. In the eyes of their publics, Japan, South Korea, Taiwan, and the Philippines all suffer a poor performance on political inclusiveness. Taiwan, South Korea, Mongolia, and the Philippines also suffer weak rule of law. Contrary to expert-based assessments, Taiwan and South Korea have yet to establish themselves as having high-quality

governance in the eyes of their publics. It is also revealed that contrary to expert-based assessments, China and Vietnam as well as Singapore and Malaysia enjoy high levels of public approval across most, if not all, dimensions of governance. These findings suggest that the more democratic a country is, the more likely its citizens are critical of the quality of governance. It could be the case that the democratic part of the region performs worse than the non-democratic part. It could also be the case that citizens in the democratic part of the region are better (or more) informed about the realities of governance than their counterparts in the non-democratic part. Moreover, citizens in the former could hold a much higher benchmark than citizens in the latter for evaluating the quality of governance. Whatever the reasons, in non-democracies no public pressure would be mobilized in favor of institutional reform for better governance. In the eyes of ordinary people, national governance across much of the region remains weak in popular control and rule of law, two mechanisms for constraining the exercise of public authority.

East and Southeast Asian countries developed distinctive institutional configurations for national governance. Some transformed patronage bureaucracies into merit-based bureaucracies while others failed to modernize the administrative apparatus of the state. Some established institutions of governance for holding the state accountable to the public while others failed to develop institutions of democratic accountability. Some established rule-of-law institutions for constraining the arbitrary exercise of government power while others failed to develop legal constraints of



government action. These distinctive political-administrative systems face different institutional challenges for better governance. In the process of developing institutional arrangements for better governance, tensions and even contradictions may be expected between three sets of institutions - the effective state, democratic accountability, and rule of law. The question of “sequencing” of institutional development

is increasingly relevant (Fukuyama, 2011; Mazzuca & Munck, 2014). Should bureaucratic governance or rule-bound governance be established before democratic governance of popular control? Or should it be the other way around? Or should they be developed simultaneously? More research is needed to address these questions in the context of East and Southeast Asia.

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# Reconciling Ideas of Governance Reform: New Public Management (NPM) and New Public Governance (NPG) in the Autonomization of the Thai State

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## Abstract

Governance reforms around the world have been driven by two major ideas of governance: New Public Management (NPM) and New Public Governance (NPG). Unfortunately, these two ideas are often treated as contrasting. Worse, NPM is sometimes overemphasized as the only idea characterizing governance reform.

This article argues that it is misleading to perceive these ideas of governance reform as contradictory. They can be and are reconciled in the real world of governance. The autonomization of the Thai state, typically through agencification programs, exemplifies this argument. Agencification in Thailand, starting from the 1990s, resulted in the emergence of autonomous public organizations (APOs), though the movement has never been solely guided by NPM ideas.

The operation of the Thai Health Promotion Foundation (THPF), an independent APO, reflects the application of NPM ideas. The THPF utilizes contracting and networking as core strategies. Through contracting, the THPF performs as a principal for its agents or partners/grantees, who are expected to implement programs/projects in an efficient and effective manner. Through

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networking, the THPF, as an enabler, uses the tri-power strategy as a framework to integrate partners to achieve collaboratively-determined common goals. In this way, networking helps advance and institutionalize contracting and the operation of the THPF in the mode of network governance. In applying both NPM and NPG techniques in its agencification programs, THPF reconciles NPM and NPG, showing that the approaches are not mutually exclusive.

*Keywords:* governance, New Public Management (NPM), New Public Governance (NPG), agencification, quango, Thai Health Promotion Foundation (THPF)

## Introduction

Thailand has experienced major shifts from a centralized and consolidated public sector to a decentralized, structurally devolved and “autonomizing” public sector, typically through programs of “agencification” that transfer as many government activities as possible to quasi-autonomous or agency-type organizations, commonly known as agencies<sup>1</sup> or quangos<sup>2</sup> (Pollitt et al., 2005; Pollitt & Talbot, 2004). In Thailand, these organizations are largely considered as autonomous public organizations (APOs). The agencification in Thailand was considered as the most significant part of the autonomization of the state (Bowornwathana, 2006) and is often regarded as a prominent result of New Public Management (NPM) reform

(Tamronglak, 2011). This corresponds to a global phenomena asserted by scholars in the West (Pollitt et al., 2005; Peters, 2011).

However, at the center of governance reform in general arguably lies two prominent ideas for reforming public and policy management: NPM and New Public Governance (NPG). Both ideas argue that traditional management systems and institutions have proven to be inadequate for addressing problems of increasing complexity associated with changes in society, politics, technology, and the economy. NPM is focused on intra-organization performance and market mechanisms while NPG is focused in inter-organization relationships and network mechanisms. Unfortunately, these two ideas are often posited as contrasting.

<sup>1</sup> Talbot (2004, p. 5) suggests that an agency should be: at arm's length (or further) from the main hierarchical “spine” of central ministries/departments of state; carrying out public tasks (service provision, regulation, adjudication, certification) at a national level; staffed by public servants (not necessarily civil servants); financed (in principle) by the state budget (in practice some are financed up to 100 percent from their own revenues, but the state remains liable for their financial condition); and subject to at least some public/administrative law procedures (i.e. they are not predominantly or entirely private law bodies). This definition excludes state-owned enterprises whose primary existence is within the market sector, sub-national agencies, and social, charitable, and voluntary organizations even when their primary funding comes from the state.

<sup>2</sup> The acronym quango can be understood in many ways but commonly stands for quasi-autonomous non-governmental organization.

This article argues that NPM and NPG, in fact, can be reconciled and do emerge together in the real world of governance reform, especially when agencification is involved. Scholars contend that NPM-based agencification ideas have been translated differently in different politico-administrative settings (Smullen, 2010); NPM ideas, when translated into certain contexts, do not necessarily stay the same as they were in the original context. By researching agencification in 30 countries around the world, Van Thiel et al. (2012) found that NPM has not been the single driver of agencification in most countries. Likewise, agencification in Thailand has never been solely occupied by one single idea and NPM is blindly overemphasized in the domain of governance reform (Bowornwathana, 2004). The driver and the result of the Thai agencification is hybrid.

Hence, different governance reform ideas, namely NPM and NPG, can co-exist in producing an autonomized public agency. To elaborate this argument, this article examines a certain APO, the Thai Health Promotion Foundation (THPF), to demonstrate that its characteristics and functions explicitly represent a combination of NPM and NPG.

Established in 2001, the THPF is one of the most significant and most controversial, but understudied, APOs in Thailand. Its budget comes from a special, non-traditional revenue collection mechanism, specifically a surcharge on tobacco and alcohol excise taxes. The THPF is a product of NPM and functions in the support of NPG. The creation of the THPF was based on the idea of contracting out, where the central state devolves some tasks

to non-bureaucratic APOs. Given this, one of the main functions of the THPF is to provide large contract-based grants to various organizations across sectors and policy areas, both public and private. NPM-based contracts are heavily employed as a mechanism to run activities. Nonetheless, focusing on structural and behavioral changes, the THPF often intervenes in society and other governmental areas. It has cross-sectoral operations and a network governance style of work, which emphasizes non-state, civil society initiatives. NPG-based partnership is a favored mechanism to run business.

If NPM and NPG are naively treated as strictly contradictory, the very existence of the THPF, and possibly other quangos, is insufficiently explained. To understand the emergence and operation of such an APO merely through the NPM lens cannot explain the reality of governance reform and its organizational products. This article is expected to shed some new light on how we understand governance reform ideas and their interactive features in the real world of governance.

### Ideas of Governance Reform

According to Peters (2011), governance reform is considered one of the oldest activities of government. Since the 1980s, the public sector around the globe has undergone various transformations and reforms. Two major ideas are considered to characterize governance reform: NPM and NPG. Both ideas argue that traditional institutions have proven to be inadequate for addressing problems of increasing complexity associated with changes in

society, politics, technology, and the economy. However, these two ideas are treated as being essentially different and implying contrasting scenarios of governance (Pestoff, 2012; Lynn Jr., 2010). Specifically, although they both aim to improve or fix the traditional system, these two “new” governance ideas are simultaneously generating two distinct brands: NPM, which emphasizes market-oriented governance, and NPG, which emphasizes network-oriented governance.

### **NPM Ideas:**

#### **Toward Market-Oriented Governance**

Essentially, NPM is considered a set of experiments in public sector management inspired by the market principles of efficiency and economy. NPM gathered much steam in governance discourse in the 1980s and the 1990s. It has become “a standard prescription for the ailing public sector across the globe” (Chakrabarty & Chand, 2012, p. 111).

NPM persuades the public sector to think of itself as more like the private sector, and to adopt managerial and budgetary practices from the private sector. NPM shifts attention from procedures and formal processes to measures of outputs (Bevir, 2010). Performance evaluation and management culture, for instance, are among the lasting legacies of NPM, which has driven a regulatory, performance-oriented state (Jayasuriya, 2004).

NPM calls for a paradigm shift in public sector management informed by three

E's: efficiency, economy, and effectiveness. Hood (1991) reasons that NPM is a marriage of two different streams of ideas: new institutional economics and a set of successive waves of business-type managerialism. It is concerned with “a disaggregated state, where policy making and implementation are at least partially articulated and disengaged, and where implementation is through a collection of independent service units, ideally in competition with each other” (Osborne, 2010a, p. 8).

NPM also refers to aspects of marketization and neoliberalism (Bevir, 2010) stimulating the transfer of responsibility for delivery of services to autonomous or semi-autonomous agencies. Privatization<sup>3</sup> and contracting out, which represent the logic of market governance, are then favored as NPM represents the entry of market rationality to public affairs.

Unsurprisingly, NPM-inspired reforms have aroused strong and varied emotions, both positive and negative, among bureaucrats (Hood, 1991) as some have gained from reforms while some have lost. Thus, NPM has been questioned on a range of grounds (Osborne, 2010a; Pollitt & Bouckaert, 2011).

#### *Disaggregation and Agencification*

Indeed, essential doctrines of NPM are encapsulated by many experts. Hood (1991) enumerates seven principles: hands-on professional management in the public sector; explicit standards and measures of

<sup>3</sup> Privatization can be interpreted in many ways. In a narrow sense, it means the transfer of assets from the state to the private sector. In a broader sense, it refers to adaptation in accord with private sector techniques or the integration of private sector values such as competition and market mechanisms into public services (Megginson & Netter, 2001).

performance; greater emphasis on output controls; shift to disaggregation of units in the public sector; shift to greater competition in the public sector; stress on private-sector styles of management practice; and stress on greater discipline and parsimony in resource use.

For the purpose of this article, the principle of disaggregation is of particular interest. According to Hood (1991, p. 5), the disaggregation of units in the public sector is proposed to break up formerly monolithic structures into manageable units by asking for unbundling of centrally managed, functionally organized management systems into corporatized units around products, operating on decentralized one-line budgets and dealing with one another on an arm's length basis. In other words, disaggregation splits up public bureaucracy into smaller parts with underlying emphasis on flattening of hierarchies and "flexibilization" of management (Dunleavy, 1991). Concrete manifestations of the principle are agencification and the growth of quasi-government agencies.

Agencification refers to the disaggregation of public management into a multitude of different kinds of quasi-/semi-autonomous agencies responsible for operational management by distancing them from the central department in order to increase freedom to manage (Verhoest et al., 2012; Bouckaert, Peters, & Verhoest, 2010; Christensen & Lægreid, 2003, 2006). Pierre and Peters (2000) interestingly argue that agencification implies that the state

power has been moved out from the center through the exportation of policy activities from the center to a number of different delegated and devolved forms.

The principle of structural disaggregation is regarded as a core element of an agency, a product of agencification (Tablot, 2004).<sup>4</sup> An agency or a quango is defined as an organization that is structurally disaggregated from the government or from units within core ministries and operates under more business-like conditions than the government bureaucracy (Verhoest, 2013). Quangos can look different across countries. Generally, they are fundamentally organizations funded by taxpayers, but not controlled directly by central government. Quangos can enjoy some kind of autonomy and function at arm's length from governments. Although quangos are autonomous or independent, all too often they are not practically remote from government; the government, to a certain degree, is able to influence a quango.

With this, an agency of public governance should be more agile in the sense that it should be entrepreneurial, open, and communicative (Henry, 2006). The NPM ideas characterizing governance reform correspond with the idea of an entrepreneurial government: a government in which public sector institutions "habitually act... [to] constantly use their resources in new ways to heighten both their efficiency and their effectiveness" (Osborne & Gaebler, 1992, p. xix). Entrepreneurial government is focused on results and driven

<sup>4</sup> Tablot (2004, p. 6) concludes that the idea of agency contains three central elements: *structural disaggregation* and/or the creation of task specific organizations; *performance contracting* with some form of performance target setting, monitoring, and reporting; and *deregulation* (or more properly reregulation) of controls over personnel, finance, and other management matters.



by missions, not rules. In fact, this kind of government does not only coincide with NPM ideas but also with NPG ideas, as both advocate non-hierarchical modes of governing and have been used for governance reform.

### **NPG Ideas: Toward Network-Oriented Governance**

NPG is believed to be both a product of and a response to the increasingly complex, pluralistic, and fragmented world of contemporary public policy and management (Koppenjan & Koliba, 2013). Indeed, it is an ambitious endeavor to bring in new values while keeping legitimate elements of earlier paradigms and gluing them together in a constructive way. NPG theoretically breaks down the previous architecture by stressing fragmentation and pluralism. Nevertheless, there are various interpretations of the idea (Lynn Jr., 2010; Koppenjan & Koliba, 2013).

NPG consists of a variety of ideas promoting plurality, institutional relationships, and networks (Osbornes, 2010a).<sup>5</sup> Lynn Jr. (2010) identifies the core argument of ideas which might together be called NPG: “new modes of governing involving networks and the sharing of authority with civil society institutions are replacing traditional reliance on public authority” (pp. 112-113). Similarly, Bovaird

(2007) contends that, as public policy-making is no longer seen as a purely top-down process and public services are no longer simply delivered by professional and managerial personnel in bureaucracy, NPG is thus interested in “the ways in which stakeholders interact with each other in order to influence the outcomes of public policies” (p. 220).

Torfinn and Triantafyllou (2013) systematically conceptualize NPG in terms of input, withinput, output, and feedback. The input under NPG can be seen as the expansion of arenas for *empowered participation* bringing together public and private actors in continuing dialogue. In this sense, the input to a political-administrative system under NPG is, more or less, systematically augmented with more direct forms of civic engagement that, ideally, go beyond the narrow interests encouraged by elite interest groups, not just user satisfaction and choice held by NPM. The administrative governing process (or withinput) under NPG is typified by *collaboration* between different levels, sectors, and actors, rather than competition. Besides, the NPG output further includes the deployment of *new tools of governance* that empower and engage stakeholders in public problem solving and service production. Last but not least, the feedback mechanism of NPG is concerned

<sup>5</sup> Specifically, Osborne (2010a, pp. 6-7) suggests that the idea of NPG comes from five distinct strands: *socio-political governance*, which is concerned with the over-arching institutional relationships within society; *public policy governance*, which is concerned with how policy elites and networks interact to create and govern the public policy process; *administrative governance*, which is interested in the effective application of the idea of traditional public administration and its repositioning to encompass the complexities of the contemporary state; *contract governance*, which is keen on the inner workings of NPM in general as well as the particular governance of contractual relationships in the delivery of public services; and *network governance*, which is related to the study of how self-organizing inter-organizational networks (Rhodes, 1997) function both with and without government to provide public services.

with a variety of accountability procedures allowing for *multiple standards and forms of accountability* based on a variety of standards attuned to organizational learning.

NPG, too, has been criticized on many grounds (Bevir, 2010; Lynn Jr., 2010; Torfing & Triantafillou, 2013). It potentially poses a number of critical challenges to public policy and management in practice, so should not be treated as a panacea.

### *Co-Production and Collaborative Governance*

Morgan and Shinn (2014) identify three trust- and legitimacy-building characteristics of NPG. First, NPG is *value-centered*, in the sense that the goal of government is to promote the larger common good, which broadens the objective of performance measurement and management to involve a wide array of substantive political and civil values. Second, NPG aims to *create government processes* that facilitate the generation of implementable agreements among various stakeholders. The notion of “politics” for NPG is the politically mediated expression of collectively determined preference that the citizenry deems valuable. It is contrasted with NPM, which typically sees politics as the aggregation of individual preferences. Finally, NPG envisages *the generation of the public good as a co-production process* involving the public, private, and third sectors. The government, under this idea, is a catalytic agent that invests with private and/or nongovernment stakeholders in shared ownership of the public good.

Given this, co-production of public services is argued to be a core element and important attribute of NPG, which implies

greater citizen participation and third sector involvement in public service provision (Pestoff, 2012; Howlett, Kekez & Poocharoen, 2017). Scholars assert that NPG paves the way for an era of collaborative governance (Sørensen & Torfing, 2012), which means any attempts of governance and public policy that go beyond the confines of governmental bureaucracies to involve people across the boundaries of particular sectors, levels, and spheres (Ansell & Gash, 2008; Emerson & Nabatchi, 2015). To deal with collaboration, enablement skills (Salamon, 2002) seem to be more important than management skills. Obviously, NPG favors non-hierarchical, network modes of governance.

### **Two Different, Yet Related, Scenarios of Governance**

Unfortunately, NPM and NPG are often posited as contrasting. If they are not regarded as contradictions, they are considered as different stages or developments of public management in which NPG is meant to replace the previous ideas (Osborne, 2010a; Massey & Johnston-Miller, 2016). Nonetheless, this article argues that, in reality, elements under the rubric of NPM and NPG often compete but coexist with each other, or overlap rather than replace each other. For example, both ideas allow, and often advocate, the government to work with other organizations, both private and public, principally through contracts and partnerships. Nevertheless, different emphases can be seen.

In the case of contracts, NPM advocates contracting by thinking of the value of markets and greater measurable performance

(Smith & Smyth, 2010). In contrast, NPG stimulates contracting in a more complex manner by thinking of partnership and networking (Kumar, 2004). In the case of partnerships, NPM is interested principally in utilizing the partners to deliver a service cheaply, efficiently, and effectively. The NPG approach to partnership is instead focused on enhancing the capacity of local partners as a means to build civic infrastructure and the overall capacity of a community to be self-authoring (Morgan & Shinn, 2014).

Moreover, according to Osbornes (2010a), NPM has intra-organizational focus emphasizing management of organizational resources and performance. In other words, the organization is the key. Even when issues of inter-organizational working are addressed, NPM inevitably deals with them from the perspective of the individual organization (O'Toole et al., 2005). In contrast, NPG has *inter-organizational* focus emphasizing negotiation of values, meanings, and relationships. The organization and its environment are the key. NPG requires a boarder engagement with the environment of public policy and services (Osborne, 2010b).

Besides, the role of the state in NPM is much about regulation, often within a principal-agent context, while in NPG, the state becomes more a facilitator, an enabler, or a catalyst. The state performs more of a "steering" function within complex social systems rather than controlling solely through hierarchies and markets (Hartley, 2005). The logic of control thus significantly lessens in the NPG-inspired state/government.

However, it is highly possible to see an individual organization that holds both

NPM and NPG values as they have different emphases and serve different functions. An organization can be hybrid, which corresponds with an argument made by Van Thiel et al. (2012):

There is no clear convergence towards one single organizational form. The organizational pattern is becoming increasingly complex and hybrid. What we see, even in single organizations, is a complex combination of old public administration, new public management and post-NPM features, often of elements that are pointing in different directions. (p. 415)

In practice, for instance, an organization might use NPG as an external strategy to deal with stakeholders and the environment of the organization, focusing on boundary spanning and boundary maintenance, while using NPM as an internal strategy to improve organizational efficiency and effectiveness, focusing on organization performance. The interesting point is whether these ideas create tensions within the organization, and if they do, how the organization deals with them.

As already mentioned, NPM and NPG imply contrasting trajectories or scenarios of governance. Traditionally, the state was the dominant, and often the only, player in the public realm. With the emergence of the private sector and the third sector, there was a need for new institutional arrangements. NPM has tended to foster rampant privatization (in a broad sense) and market mechanisms. The rise of quangos can be seen as an effort to de-center the core of the state by fragmenting the authority of the central state in order to boost the effectiveness and

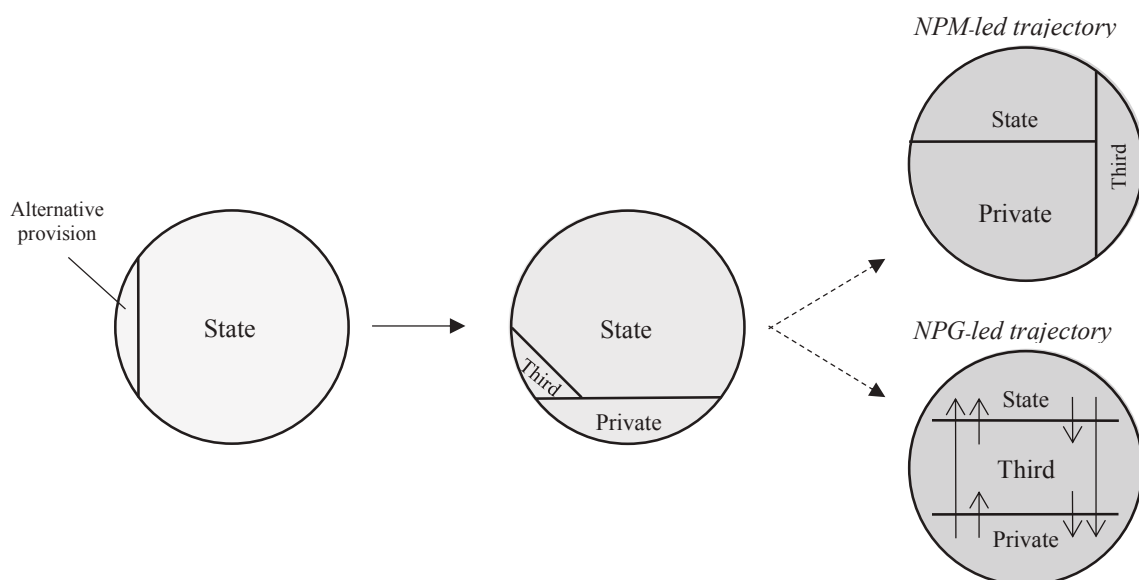
efficiency of state agencies. The NPM-led trajectory includes a considerable role for the private and business sector and a significant space for private initiatives in the field. More effective, efficient, and better-quality public service is the goal. The characteristic of this trajectory is post-bureaucratic, competitive styles. Market-driven steering/regulation is the accountability role of the NPM-led state.

Alternatively, NPG is inclined to generate greater pluralism and more network governance. The NPG-led trajectory includes a major role for the third sector and civil society, as well as gives space for societal innovations. Hybrid institutional/

organizational forms are also advocated. Hence, multi- and trans-sectoral initiatives are witnessed. NPG is championed for resource transfer among sectors. More legitimate, inclusive, networked, flexible, and effective government is the goal. The characteristic of this trajectory is post-competitive, collaborative styles. Multifaceted facilitation is the accountability role of the NPG-led state.

However, in reality, the dream for both scenarios can coexist, albeit often with tensions, and both are related to and reflect the changing relations between the state and society. This is depicted in Figure 1.

**Figure 1**  
*NPM-Led and NPG-Led Scenarios of Governance*



Source: developed from Pestoff (2012, p. 378)

The figure also suggests that the state or the public sector has shrunk with the rise of new actors from the private sector and the third sector. Even so, this does not mean that state power and capacity are *actually* smaller. The state has, in fact, transformed

itself. At the heart of the state transformation, for instance, rests a preference for a smaller policy-oriented department that acts as a hub and seeks to steer complex networks of quangos. Government has thus taken a place within a boarder context of governance in

which governmental actors function within an increasingly fragmented, complex, and delegated administrative milieu involving private, nongovernmental, and parastatal bodies (Flinders, 2008).

With the coming of the non-state actors, the state employs fewer direct governing tools and more indirect tools (Salamon, 2002). NPM, typically through outsourcing and contracting, and NPG, through networking and partnership, are increasingly applied in the public sector in response to wicked problems.

### **Autonomization and Agencification in Thailand**

There are many forms of autonomization; yet its core idea is to strengthen the discretionary power of managers and give subordinate bodies and agencies more latitude. It links with the idea of structural devolution entailing “empowering managers, separating political and administrative functions, and transferring authority down the hierarchy to autonomous agencies, or further down to state-owned companies, thus improving administrative or commercial capacity” (Christensen & Læg Reid, 2005, p. 137). In the process of autonomization, both structural and functional aspects of public organizations are redesigned. The responsibilities and autonomy of public organizations are redefined and the way in which they are regulated by government is also rearranged (Verhoest, 2013).

A long tradition of endeavor to reform the Thai public sector or make the state more autonomized has, since the 1980s, incorporated several ideas including NPM,

re-engineering, good governance, New Public Service (NPS), NPG, and democratization (Luangprapat, 2008, 2013; Siriprakob, 2016). The autonomization project and agencification of the Thai state has never been solely occupied by NPM (Bowornwathana, 2004).

Autonomization arguably is not a new phenomenon in Thailand. Although large-scale agencification was officially launched through the promulgation of the Public Organization Act, B.E. 2542 (hereafter the agencification act) in 1999, quangos or equivalent bodies were already in existence, albeit without the standardized legal status provided by the agencification act. These organizations had their own separate legal bases. This situation corresponded to that in many other countries where legally independent bodies were generally established earlier than standard semi-autonomous agencies (Van Thiel, 2012).

According to Laothamatas and Ratanaset (2014), for decades Thailand's approach to public sector reform was best described by an incremental model. Different governments have added their own reform activities over those of their predecessors. In this respect, the development of the autonomization of the Thai state can be understood in terms of waves. Therefore, there arguably have been three waves of autonomization/agencification of the Thai state (cf. Tamronglak, 2011). The first began from 1937 with the establishment of the Crown Property Bureau. For the first time, a non-departmental, non-state-enterprise body with its own special legislation was introduced. The second wave commenced in 1990 with the founding of Suranaree

University of Technology. The “third-type” of state organization which is neither a bureaucratic department nor a state enterprise was introduced at that time. These third-type organizations were created and governed under their own dedicated legislation.

Official large-scale agencification in Thailand was launched from 1999 onwards through the promulgation of the agencification act, which marked the third wave. The act introduced standardized, agency-type APOs, which are a common interpretation of quangos in Thailand (Bowornwathana, 2006, 2012). According to the act, APOs can be established through the approval of the King and through the Cabinet. Most APOs in Thailand are single-purpose organizations performing a specific social function in a specific area. Hence, when speaking of Thai APOs, agency-type APOs are usually recalled.

The waves of agencification produced two major types of APOs. The first type is called “*ongkarn mahachon*,” agency-type APOs under the 1999 agencification act. The second type is called “*ongkarn issara tam phra ratchabanyat chapo*,” or independent APOs under their own dedicated legislation. This latter type is the “third type” of state organization previously mentioned.

It is important to note that the agency-type APOs, albeit having substantial autonomy compared to traditional bureaucracy (Tamronglak, 2011), are criticized as being neither truly autonomized nor working at arm’s length as they should; instead, they have become an integral part of the bundled government and are accountable to the high bureaucrats and

politicians (Bowornwathana, 2012). On the contrary, independent APOs are better autonomized as they have their own legal basis outside the standardized agencification act.

### THPF: An Institutional Oddity

Among Thai APOs, the THPF is distinctive in many ways. The origin of the THPF is derived from a series of combined endeavors of health professional communities, government departments, NGOs, and international organizations (Siwaraksa, 2005; Ungsuchaval, 2016), at a time when cross-sectoral initiatives were not a common practice. When it was established in 2001, APOs in Thailand were still in their infancy. The THPF needed to develop its own principles and practices without having anyone to look at. It was also a novel public agency with a large amount of money. Information regarding the THPF’s way of doing business was severely insufficient. The THPF soon became a target of political interference.

However, it is rather clear that, in principle, the THPF can be regarded as a public body type of quango (Allix & Van Thiel, 2005; Greve et al., 1999), that is, an organization that undertakes public tasks at arm’s length but is publicly funded, obtains revenue from a kind of state budget or levy, holds a certain degree of ministerial responsibility, has statutes as a control mechanism, and functions in the public domain. In the context of the Thai legislation, the THPF can be considered an independent APO because it is not created and governed under the agencification act but rather its own dedicated legislation,

namely the Health Promotion Foundation Act, B.E.2544 [2001]. The THPF has the status of a state agency that is neither a government department nor a state enterprise under the law on budgetary procedures. The income of the THPF is also not required to be remitted as income of the state. Its dedicated legislation regulates revenue for the THPF to be directly transferred from an additional two percent of excise taxes on tobacco and alcohol products pooled in an independent public fund governed by the prime minister.

The THPF represents the logic of new governance in which the state is, to a certain degree, “hollowed out” through contracts and networks (Milward & Provan, 2000; Rhodes, 2012; Goldsmith & Eggers, 2004). The state has devolved health promotion missions to the THPF. Subsequently, the THPF functions as an enabler by having its programs and projects implemented by other parties, who are the grantees or the partners. In other words, the THPF cannot successfully run its business without its partners. What it mainly does is provide support, mostly financially, which in turn enhances health promotion and facilitates changes, especially in aspects of health, society, and environment for all people in Thailand (Buasai et al., 2007; Sopitarchasak et al., 2015; Pongutta et al., 2019). Financing, a market-oriented tool of governance, is one of the key mechanisms of the THPF's operation. The THPF is regarded as the most innovative organization designed to finance population-wide promotion and prevention activities in the country (Watabe et al., 2017). Hence, in the language of Osborne and Gaebler (1992), the THPF mostly performs “steering” while

its partners do the “rowing.” The THPF's tasks center on organizing resources, both its own and others', to collaboratively produce outcomes within a web of multi-sectoral relationships. In this sense, the THPF strategically manipulates its partners to run the business.

The way the ideas of NPM and NPG are reconciled and combined in the THPF lies in, arguably, its most distinctive feature as an institutional oddity. The THPF has twofold different, yet related, characteristics. It is misleading to conceive the THPF only as an APO signifying NPM ideas. The THPF is also indeed a foundation working to enable a structural change and healthy society and policy, often through institutional movements of civil society. By seeing the THPF as a foundation, one can recognize NPG ideas in the THPF's operation.

### **THPF as an Independent APO: Principal-Agent Split and Contracting**

Undoubtedly, the THPF is a child of NPM ideas. The emergence of the THPF reflects the way the state devolves a certain public task to non-departmental bodies. Health promotion is then contracted out of the central government to the THPF. With its dedicated legislation, the THPF is considered relatively autonomous in many ways compared to other APOs governed by the agencification act. It has its own missions, ways of governance, budgeting, and so on.

With careful consideration, the governance of the THPF, albeit being autonomous, has hardly been independent of the central state. For example, the board of governance is composed mostly of

political/state appointees. Only four of the 20 seats are truly secured for representatives from the non-state sector.<sup>6</sup> The THPF must rely on the government to pursue its goals. At the same time, the government cannot directly control the THPF as it does government departments. The THPF does not function like a straightforward instrument of the government. The case of the THPF implies that independent APOs indeed have an intricate relationship with the government.<sup>7</sup>

However, in daily practice, the THPF has a high degree of autonomy, especially in terms of providing grants. The idea of the principal-agent split based on contractual relationship is the basis of the THPF's granting. The principal-agent split refers to the division of actors in a relationship into two major parties: purchasers of public services who have authority (the principal) and providers bound by contract (the agent) (Ryan et al., 2000).

The THPF, as the grantor (the principal), holds some authority over the partners bound by contract (the agent). In other words, the THPF purchases services developed or implemented by the partners.

The THPF specifies what is needed from the partners in contracts and creates mechanisms to ensure that the agreed goals, outputs, or outcomes are reached. The partners are allowed to act as the state's delegated agents, or to be specific the THPF's agents. It is believed that the split can mitigate the inefficient monopolies of the state. In a sense, splitting principal and agent is seen as shifting political control (Siverbo, 2004), moving the responsibility (for health promotion work) away from the state agents to the quangos and non-state agents. It also signifies a form of depoliticization (Wood, 2016).

Granting for the THPF is an indirect, market-oriented tool for public action (Salamon, 2002). It is believed to help the THPF achieve the three E's. By categorizing the THPF as the principal and the partners as the agents, the THPF can use granting as a tool for strategic purchasing by choosing service providers more flexibly and allowing them to give targeted services efficiently and effectively. In this sense, the THPF becomes "catalytic and leverages innovative ideas with flexible funding to a wide range of multi-sectoral networks" (Watabe et al., 2017, p. 708).

<sup>6</sup> According to the Section 17 of the Health Promotion Foundation Act, B.E. 2544 [2001], "eight qualified members appointed by the Council of Ministers [Cabinet] from persons selected from those with knowledge, ability and experiences in the fields of health promotion, community development, mass communication, education, sports, art and culture, law or administration, *provided that of this number, at least half of whom from persons in the private sector*" [emphasis added by the author]. Bureaucrats, retired or not, are allowed to become qualified board members, namely independent experts. Section 18 of the law only prohibits holders of political positions, both national and local, from being qualified board members.

<sup>7</sup> There is a criticism that quangos that are very much governmental, yet not departmental, cannot be truly called quangos (Talbot, 2004). Quangos should be characterized by the feature of being *non-governmental* as the label quasi-autonomous non-governmental organizations suggests. This is one reason why the UK government officially refers to these organizations as non-departmental public bodies (NDPBs) (Pliatsky, 1992) although the general language still informally uses the term quango. Hence, referring to the THPF as an independent APO is more appropriate and descriptive.



In practice, the THPF provides grants based on projects/programs bounded by contract for fixed or known periods for the delivery of services or products without legal liability for failure to operate. The grants are renewable depending on the performance, impact, and plausibility of the project. They begin with the involvement of a group of potential partners. The THPF and the partners then together develop the projects. This means that the THPF needs to think strategically about what to promote and who will be the suitable partner for any particular project. In other words, the THPF does not simply operate with various partners, but rather strategically identifies gaps and potential partners. Granting strategy of the THPF is not confined to a passive type but a proactive one in which the THPF plays a leading role before, during, and after the processes of contracting. Proactive granting will be discussed in the following section.

Granting and contracting are the THPF's prominent tools reflecting intra-organizational focus. By differentiating the principal and the agent, resources (typically money) are used with maximum effectiveness and efficiency. Delivering projects and programs through granting in an efficient and effective way is consequently a core element of the organizational focus of the THPF.

### **THPF as a Foundation: Partnership and Collaborative Governance**

The characterization of NPG ideas of the THPF comes from the feature of being a foundation. From a philanthropic perspective, the THPF is regarded as a new form of local philanthropic foundation in Thailand (Phaholyothin, 2017). The THPF

implements active and strategic funding schemes that place an emphasis on seeking out a variety of grantees or partners across boundaries of sector, level, and sphere, rather than issuing open calls for proposals. To make the granting strategic and yield better outcomes, the proactive approach or the partnership strategies (Galbally et al., 2012) are used to shape the direction of the granting and the participants of the partnership. The partnership strategies replace the pure market purchaser-provider contracts, which encourage the THPF to collectively design, develop, and deliver its activities and programs with partners. Grants are used to actively stimulate areas of work that the THPF sees as relevant or necessary. For the THPF, grants have become a tool to reach out to partners.

Active stakeholder engagement is essential to THPF organizational strategy (Galbally et al., 2012). Since its early years, the THPF, as suggested by its board of governance, has adopted a bottom-up approach in developing plans and programs that involve a variety of stakeholders because it has learnt that stakeholder engagement is key to organizational survival in contemporary public governance (Board of Governance, 2005). Participation of stakeholders is evident from the beginning of the project cycle developed by the THPF. Potential partners are welcomed to discuss possible projects and further fine tune their project proposals.

Thus, networking (NPG idea) plays an important role in making the granting (NPM idea) strategic. This makes the THPF align with the notion of strategic giving/philanthropy (Frumkin, 2006; 2010) and "venture philanthropy" (Frumkin, 2003;

Scott, 2009). The THPF is thus working on the new frontiers of philanthropy and social investment (Salamon, 2014) where collaborative governance and co-production are favored.

Specifically, the THPF is a kind of health promotion foundation (HPF) that has developed from a global framework for creating a new model of health promotion financing and infrastructure (Tangcharoensathien et al., 2017). The new model embraces an attempt to influence the social determinants and the outcomes of health with and through non-health networks and initiatives, as stated in the 1986 Ottawa Charter on Health Promotion (WHO, 1986). Given this, HPFs are an institutional mechanism to promote health through social finance under the “health in all policies” (HiAP) approach: a broad strategy to address health challenges and promote behavioral change through an integrated policy response across various sectors of government and inter-sectoral collaboration (Naidoo & Wills, 2016; Mouy & Barr, 2006). Empowered civil society is especially advocated as a strategic partner to HPFs. Consequently, since its inception, the THPF has been working closely with non-state actors. Research found that the THPF annually provides a large amount of grants to nongovernmental bodies and has been considered one of the biggest sources of funding for contemporary civil society (Ungsuchaval, 2019; Rakyutidharm, 2014).

The THPF has been recognized by the government and academia as a pioneer for

dedicatedly adapting and promoting network governance emphasizing the partnership approach (Phusavat et al., 2011; Lorsuwannarat et al., 2015; Prakongsai, 2016). The THPF proactively and strategically executes every program/project through its partners. The THPF is not an operative agent but a catalytic one that heavily invests in the partners through shared ownership of the public good and relies on them to perform the tasks. Organized civil society is given a greater role in the THPF ecosystem as agents with the THPF as the facilitator. The THPF is successful in linking a variety of stakeholders and the partners in various sectors, levels, and areas.

At the core of the THPF’s partnership approach is the “tri-power” strategy (Adulyanon, 2012).<sup>8</sup> The strategy, claimed as the basis of many policy successes (Wasi, 2000; Thamarangsi, 2009; Galbally et al., 2012; Innovation Support Unit, 2016; 2017), suggests a way to foster success in dealing with public issues and solving social problems by reinforcing three interconnected forces: knowledge, social movements, and political/policy involvement. The absence any of the forces will likely lead to failure at solving difficult problems. Each of THPF’s activities, especially the original working areas of the THPF (alcohol consumption control, tobacco consumption control, and accident prevention) are developed based on this strategy (Ungsuchaval, 2019).

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<sup>8</sup> The strategy is derived from the idea of the “triangle that moves the mountain,” originally propounded by Dr. Prawes Wasi, a prominent thinker in the areas of health promotion and civil society and a respected THPF advisor (Wasi, 2000).

Arguably, the tri-power strategy is a favored tool of the THPF to institutionalize the relationship among partners across sectors. Within a formulated network, the THPF advocates the exchange and transfer of resources among actors across different sectors. It also plays many roles in the partnership including network integrator, facilitator, expert, and change agent. In collaboration with partners, the THPF can deliver its programs and projects effectively and efficiently.

The tri-power strategy shapes contracts made between the THPF and its partners in a way that the contract becomes a collective framework for the partnership. The partners are made to construct themselves as relevant in the partnership to pursue common interests established together.

The partnership strategies of granting and the tri-power strategy of networking highlight inter-organizational focus of the THPF. The THPF pays significant attention to relationships and connections. Indeed, the THPF's performance is defined through the performance of partners as the THPF itself is just an enabler relying on partners to implement the work. Relationship is therefore a core element of organizational focus of the THPF, apart from having projects and programs delivered efficiently and effectively.

### Conclusion

Two major ideas of governance reform around the globe (NPM and NPG) emphasize different scenarios of governance. Yet, it is misleading to totally and strictly

conceptualize NPM and NPG as mutually exclusive. Although they are different in principle, these ideas can be and are indeed reconciled and operate together in the real world of governance.

Governance reform through the autonomization of the Thai state exemplifies this argument. It is rather naïve to characterize the governance reform in Thailand only through NPM ideas. The governance reform of the Thai state, at least in the autonomization project, has never been solely guided by NPM, but a variety of governance ideas.

The emergence of APOs, and the THPF in particular, represents an attempt to combine different, yet related, governance reform ideas. The twofold characteristics of the THPF allow a combination of NPM and NPG in practice. The THPF prioritizes non-hierarchical modes of governance. Scenarios of governance that advocate private, market-oriented governance and third sector, network-oriented governance are simultaneously pursued by the THPF.

The THPF is focused on both intra- and inter-organizational aspects of work. It innovatively uses contracting and networking. These two tools of the THPF in effect interact with each other. Using contract-based funding as a tool to subsidize partners' work so that the THPF's goals are achieved effectively and efficiently corresponds with NPM ideas, while networking through the tri-power strategy to connect partners and advance the contracted funding corresponds with NPG ideas. Therefore, the characteristics and the functions of the THPF cannot be perceived

merely as a consequence of NPM-informed governance reform. They also reflect ideas and movements that can be principally seen as parts of, and advocates for, the NPG scenario of governance. NPM and NPG are thus reconciled and combined in a practice of governance of the autonomized public agency.

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# The Thai Political Landscape After the 2019 Election\*

*Allen Hicken\*\**

## A View from an Outsider

I am honored to be able to speak to you today on this, Thailand's Constitution Day. What I want to offer you today is a view of contemporary Thai politics and the 2019 election from an outsider's perspective. The question underlying my remarks today is: to what extent do the March 2019 election mark a return of Thai democracy, or at least a step in the right direction?

Let me start by putting Thailand in a bit of comparative context by way of introduction. As you know, Thai politics has been nothing if not turbulent over the last 15 years. I'm not going to rehash the details of that history here, or talk about why and how Thai politics has become so polarized, but, to give you a sense of the extent of the political instability, by my count, over these 15 years Thailand has had:

- five constitutions (plus another failed draft),
- eight national elections/referenda,
- several party dissolutions,
- and 10 heads of government.

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\* Adapted from remarks given on 10<sup>th</sup> December 2019, at a KPI Conference in Honor of Constitution Day

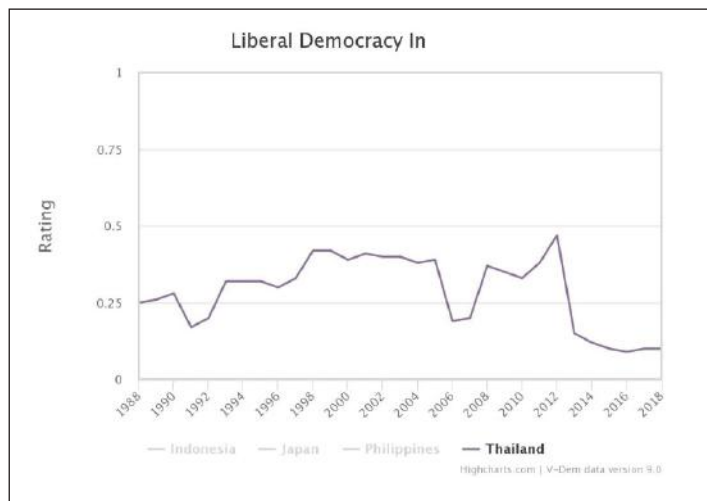
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This instability is reflected in this graph of the level of liberal democracy in Thailand over the last 30 years (Figure 1). These data come from the Varieties of Democracy project (v-dem.net), which defines liberal democracy as the extent to which there are free and fair elections, civil liberties protections, and institutional constraints on the executive.<sup>1</sup> The scale runs from 0 to 1, with 0 being autocracy, and 1 being a full,

liberal democracy.<sup>2</sup> The political turbulence is evident. In the bottom part of Figure 2 I've added in some of Thailand's neighbours for comparison, and again, Thailand's volatility stands out. And if we look across Southeast Asia, Thailand is one of only two countries in the region that is less democratic now than it was 20 or 30 years ago (the other being the Philippines).

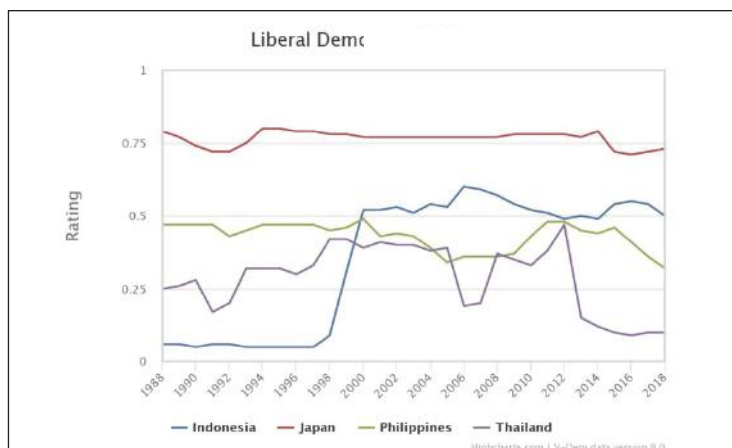
**Figure 1**

*Level of Liberal Democracy in Thailand*



**Figure 2**

*Level of Liberal Democracy in Thailand and near Neighbors*



<sup>1</sup> Coppedge et al. (2020).

<sup>2</sup> V-Dem also allows one to examine the data using other conceptualizations of democracy.

## Thailand and the Global Trend of Autocratization

But, as you may know, Thailand is part of a global trend towards greater autocracy. This goes by a number of different names—autocratization, democratic backsliding, democratic decline, democratic erosion—but it is pretty clear that the global advance of democracy that was norm for almost 40 years has come to a halt, and is actually reversed. We’ve entered what some have called a 3<sup>rd</sup> wave of autocratization.<sup>3</sup> Democracy has been in decline in many countries over the last 20 years, and particularly over the last five, where autocratizers outnumber democratizers.

There are a number of striking things about this new wave of autocratization, including the fact that the paths to autocratization are somewhat different than they were in the past. Prior to the end of the Cold War the most common way for democracies to die was an open-ended coup d’état—the military stays in power with no plan or promise of exit. (Thailand’s military was one of the leading producers of these types of coups, with 13 successful and nine unsuccessful coups in just over a century.) But these kinds of coups are no longer the dominant pattern of autocratization. Globally, coups have become increasingly rare—with Thailand a notable exception. But when coups do occur, open-ended coups have been replaced by what Bermeo calls promissory coups.<sup>4</sup> The coup leaders launching the coup come to power

promising an exit, pledging to fix the problems with democracy and then restore democracy and elections. The problem is that the evidence says that these interventions don’t lead to better democratic outcomes. The temporary suspension is often not so temporary—very few promissory coups are followed by a quick return of elections.<sup>5</sup> And once elections are finally held the military often continues to play a role, and democracy almost never returns to the level it was before the coup.

Thailand is a perfect example of this. When the military launched its coup in 2014 it promised a quick return to elections after it restored stability and reformed the system. But, as we know, elections were long-delayed, with ever-shifting election dates (Table 1), and even after elections were held, the military has continued to play a major role.

**Table 1**  
*A Shifting Timetable for Elections*

Promised Election Dates	
End of 2014	Early 2018
Mid-2015	Mid-2018
End of 2015	End of 2018
Early 2016	November 2018
Mid 2016	February 2019
November 2017	March 2019

Another difference is the role of elections. In earlier eras some regimes

<sup>3</sup> Lührmann, Anna, and Staffan I. Lindberg. (2019). A third wave of autocratization is here: what is new about it? *Democratization* 26(7): 1,095–113.

<sup>4</sup> Bermeo, Nancy. (2016). On democratic backsliding. *Journal of Democracy* 27(1): 5–19.

<sup>5</sup> Ibid.

became or remained autocracies as those in power decided to remain in power via manipulation of election results—namely, electoral fraud. However, states around the world are getting better at running elections. Data from the Varieties of Democracy project show that elections are cleaner today than they have ever been, on average. Strategies like stuffing ballot boxes, counting fraud, manipulating voter rolls, or relying on crude violence and intimidation are increasingly rare. Where we see acts of election fraud, these tend to be the marks of insecure regimes that lack state capacity. Instead, what we see today are states taking steps to tilt the playing field in their favor long before election day, so that election-day fraud is unneeded. Thailand's 2019 election is part of that global pattern, as I will discuss shortly.

Finally, also common in earlier eras were executive coups. These “self-coups” or autogolpes involved freely elected chief executives suspending elections in order to amass power in one swift sweep. Examples include Marcos in the Philippines, Sukarno in Indonesia, and, in Thailand, Thanom Kitikachorn's self-coup in 1971. But again, these types of blatant seizures of power by leaders are now rare. Instead, in this new era autocratizers leave the trappings of democracy in place while removing the ability of democratic institutions to represent certain interests, constrain leaders, or hold those leaders accountable. When this takes the form of elected leaders working to hollow-out democracy from the inside (Turkey, Hungary, Venezuela, Philippines)

we call it executive aggrandizement,<sup>6</sup> or executive takeovers.<sup>7</sup> In Thailand's case, the coup leaders have written a constitution that returns Thailand to nominal “democracy,” but which actively seeks to weaken or contain the power of elected politicians, and specifically, the opponents of Thailand's conservative forces: what I'm calling constitutional containment.

### Thailand's Containment Constitution

With that as a background I want to focus on Thailand's political landscape in the wake of the 2017 Constitution and the 2019 election.

To be upfront and honest, I was unfortunately not able to be in Thailand during the 2019 election, in part because the date for that election kept changing. I did my best to follow the elections from abroad, and have been following and writing about Thai elections and politics for some time, but there are undoubtedly things I have missed, and insights you will have from having lived through and participated in those elections. I look forward to hearing your views of the 2019 election during the discussion session.

Let me start by setting the stage. After the controversial referendum in 2017, Thailand's newest constitution was put into place. From an outsider's perspective, this constitution appears to be designed to counter what the drafters perceived to be the challenges and problems that threaten Thai democracy, though we should recognize that

<sup>6</sup> Ibid.

<sup>7</sup> Svobik, Milan W. (2019). Polarization versus democracy. *Journal of Democracy* 3: 20–32.

drafters were not all agreed and had differing ideas and opinions. There was substantial debate about what the system should be. Still, those who participated were specific about what some of their goals were.

I'll first discuss some of the major problems that many of the actors involved in the drafting process of the constitution identified. I'll then discuss some of the proposed remedies to those problems and the extent to which those remedies were effective, in light of the 2019 election.

**The first problem** drafters identified is that “bad” people keep getting elected. This reflects a belief that the failings of Thai democracy can be traced to the influence of bad people who come to power via elections and then proceed to corrupt the system. There was therefore an attempt to use constitutional and other reforms to “educate” voters and attempt to screen out bad individuals. But in case those reforms failed to bring good people (คนดี) into power the constitution also put new institutions in place to constraint the power of elected politicians.

Again, this diagnosis flows from a belief held by some that the problems with Thai democracy can be traced to voters in certain areas in Thailand voting for the “wrong” people. And the reason that these (largely rural) voters cannot or do not vote for the “right” side is due, this way of thinking goes,

to their lack of knowledge. These types of comments are common and emblematic of this attitude: “*Rural people have good hearts but they don't know the truth like we do in Bangkok... It is our duty to re-educate them*” (Noppakoon Lagum).<sup>8</sup> They claim that “*there cannot be electoral democracy in Thailand such as is found in the West because most people outside the middle class lack sufficient knowledge to understand how power can be abused*” (Sonthi Limthongkul).<sup>9</sup> H.E. General Prayut Chan-o-cha has also echoed these sentiments, for example, in a 2016 speech he stated, “*Do gardeners working outside the parliament building or farmers think about democracy? Of course not... Don't talk to me about citizenry. Those people only go to vote because they were paid.*”<sup>10</sup> This is a widely shared view, and not just in Thailand. Poor, uneducated voters get the blame for democratic failures in many countries around the world. The solution to this problem, in the eyes of Thailand's recent reformers, is to re-educate them; teach them “right” attitude and correct their misunderstanding in order to learn what kind of candidate is “good.”

However, in case reformers cannot get voters to vote “correctly” there is a plan B. The new constitution puts in place institutions designed to limit the power of politicians and let “good people” (almost by definition, unelected people) run things instead. The most important of these is the new unelected and much more powerful Senate,

<sup>8</sup> Quoted in Daniel Ten Kate. (2008, November 30). PAD – Bangkok Protesters Aim to “Re-educate” Rural Thais. *Bloomberg*. <https://pressinthaai.wordpress.com/2010/06/29/pad-bangkok-protesters-aim-to-re-educate-rural-thais/>

<sup>9</sup> Keyes Charles. (2006). Report of Sondhi speech appearing in *New Mandala*. <http://asiapacific.anu.edu.au/newmandala/2006/11/17/charles-keyes-on-sondhi-limthongkul/>

<sup>10</sup> Quoted in Allen Hicken. (2016). Thailand's Containment Constitution. *New Mandala*. <https://www.newmandala.org/thailands-containment-constitution/>



but there is a host of other institutions (Table 2) that are all designed to contain elected politicians, much as you would an infectious disease, while empowering “good people” to manage Thailand’s affairs without too much interference from elected politicians (or the public). The end result is a constitution that is designed to limit and contain the power of elected representatives.

**Table 2**

*Select Elements of the Containment Constitution*

Fully appointed, more powerful Senate
All junta acts deemed constitutional and binding
More powerful Constitutional Court
New budget oversight
Difficult amendment process

The second problem drafters identified is that the largest party has been too unconstrained. We see past parties and governments described using terms such as “parliamentary dictatorship,” “majority dictatorship,” and “tyranny of the majority.” The present constitution is designed to try ensure that no party can control a majority in the future. The goal for some seems to have been to turn the clock back to the era of large, multi-party coalition governments that characterized Thai politics in the 1980s and 1990s. Specifically, the constitution seems to be using electoral system reform as a primary tool to re-fragment the party system and reduce the power of the two largest parties: Pheu Thai Party and the Democrat Party. This also boosts the chances of the small and medium size parties.

Specifically, Thailand adopted a new electoral system known as *mixed-member*

*apportionment* (MMA): a special type of what is more generally known as mixed-member proportional (MMP) system. This system is rare (Mexico is one of the only other countries that uses a similar system). Let me highlight a couple of factors that appear to have been appealing to the drafters. First, MMA is more proportional than the previous system, allowing small and medium size parties to gain more seats. This comes at the expense of larger parties, particularly those with large national followings.

Let’s consider the following example (table 3). Imagine a country with a 200 seat legislature, using mixed-member system with 100 seats in each tier. You’ll recall that since 2001 Thailand had been using what is known as a mixed-member majoritarian system (MMM). Under MMM allocating seats was simple. You calculated the number of seats a party won in the constituency elections, and the number of seats a party won in the party list, and then added those two numbers together. In the example below, Party A ends up with 60 seats from the constituency elections, 50 seats from the party list election, and 110 seats total. Notice, though, what happens when we shift to MMA. The goal of MMP/MMA is to make the number of seats each party obtains as proportional as possible to the percentage of party list votes the party receives. So instead of calculating the number of seats each party receives in each “tier” separately, as under MMM, you use the party list votes to determine the total number of seats a party obtains. In the example below, Party A and Party B split the party list vote evenly. This means that under MMA the final number of seats each party receives should

be equal as well—100 each. To get to that number we give Party A 40 seats from the party list to go along with its 60 constituency seats, and we give Party B

60 seats from the party list to add to the 40 seats it won in the constituency elections. You'll notice that the switch to MMA helps the larger party (A), and helps the smaller party (B).

**Table 3**

*MMA vs. MMM*

	Constituency Seats	Party List Vote Share	MMM	MMP/MMA
Party A	60	50	110	100
Party B	40	50	90	100

Many people were curious as to how Pheu Thai could end up with no seats from the party list in the 2019 election. This confusion is understandable, but, in fact, this result was not unusual or unfair—it is simply a feature of this type of electoral system. Parties who win a lot of constituency seats (as Pheu Thai did) often do not get many party list seats. Instead, those party list seats go to parties who receive a substantial number of votes, but relatively few constituency seats. For example, consider Table 4. In this example, Party A dominated in the constituency elections, winning 80 of the 100 seats. However, it won only 40

percent of the party list vote. Using MMM, we would add 40 seats from the party list tier to Party A's 80 seats for a total of 120 seats. But under MMP/MMA our goal is to make the final number of seats proportional to the percentage of party list votes. Party A secured 40 percent of the party list vote, making it entitled to 40 percent of the total seats, which would be 80 out of the 200 seats. However, Party A has already won 80 seats in the constituency elections, and so is entitled to no more from the party lists. Instead, all of the party list seats go to Party B, making its seat share ( $120/200$ , or 60 percent) equal to its party list vote share (60 percent).

**Table 4**

*MMA and Large Parties*

	Constituency Seats	Party List Vote Share	MMM	MMP/MMA
Party A	80	40	120	80
Party B	20	60	80	120

So, there was nothing surprising or patently unfair with Pheu Thai not receiving party list seats. The system was designed to reduce the rewards for large parties—a fact which Pheu Thai recognized and tried to plan for. That said, over the last five years, many different electoral system proposals

have been suggested in Thailand. Together with Bangkok Pundit we have done simulations of many of these different electoral systems, and of all those that have been proposed, MMA is the worst system for Pheu Thai that we have found.

One final feature of the new electoral system that deserves mentioning is the single, or fused vote. In prior Thai elections (and in most mixed systems) voters received two ballots—one ballot for the constituency candidates and one for the party list. But under the new system, there is a single ballot and voters cast a single vote that counts as the vote for both the party and the party's candidate in the constituency. Again, this type of fused vote is really rare, but Thailand did something that was even more unusual. When a fused vote is used, usually voters cast their vote for a constituency candidate, and then that vote also counts as a vote for that candidate's party for the purposes of the party list (as in Mexico). Thailand did the opposite. Voters cast a vote for a party, which then also counted toward the constituency candidate for that party. Voters didn't even see the name of individual candidates on the ballot.

This system had a couple of important effects. First, it meant that parties who had strong candidates, but weaker national brands, did more poorly than they might have done (e.g. Bhumjaithai and Chartthaipattana). Second, this system really helped parties that had a strong national reputation, strong charismatic leaders, but weak, inexperienced candidates, like the Future Forward Party. Lacking candidates with substantial political experience, Future Forward party didn't have access to the local political networks that others mobilize. However, they did have a platform that was appealing to many voters, and many people chose Future Forward Party without knowing who the party's constituency candidate actually was.

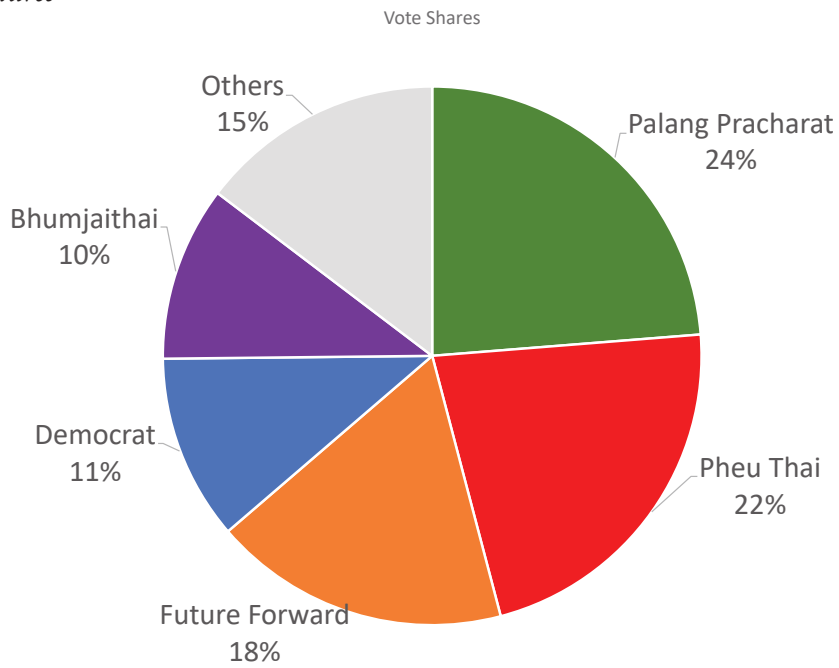
### A View of the 2019 Elections

Turning our attention to the elections themselves, a few things stood out. This was an electoral environment that did not reach past standards in terms of freedom and fairness. There was massive election spending on the part of the incumbent, including the injection of 30-billion-baht of spending prior to the election (on top of already record spending under the previous budget), and the Pracharat Project which shared its name with the political party backing (and backed by) the military-installed government. The military was also visibly involved in this election, including the participation of the military-endorsed Palang Pracharat Party. In addition, there were restrictions on mobilization, including a ban against political parties' activities which was lifted late in the game, and the 11th hour banning of Thai Raksa Chart Party. Finally, there were also significant challenges associated with the Electoral Commission.

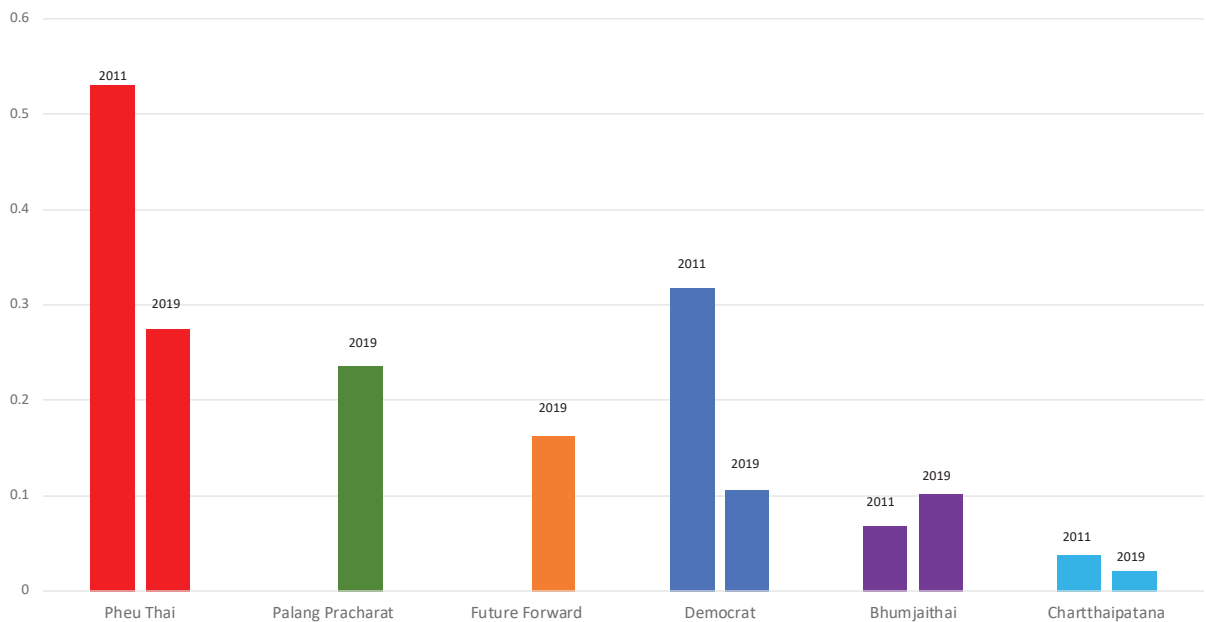
Proceeding now to an analysis of the result of 2019 election, let me focus on **four political parties**: the largest party from 2011 and the winner in every election since 2001, the Pheu Thai Party; Thailand's oldest party and the 2<sup>nd</sup> place party in every election since 2001, the Democrat Party; the military-backed party created just for this election, Palang Pracharat Party (พรรคพลังประชารัฐ); and the new Future Forward Party (พรรคอนาคตใหม่), headed by a charismatic young leader, Thanatorn Juangroongruangkit.

As you know Palang Pracharat was the largest party in term of votes, with just under 24 percent (Figure 3). However, Pheu Thai won the most seats, though its seat share fell from 53 percent in 2011 to just over 27 percent (Figure 4).

**Figure 3**  
*Party Vote Shares*



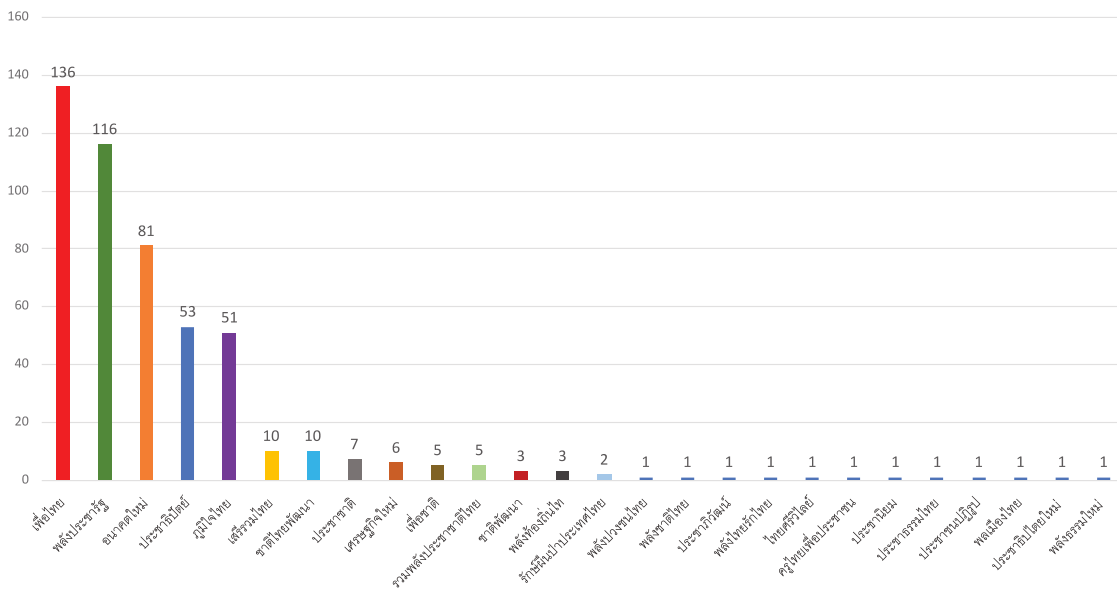
**Figure 4**  
*2011 and 2019 Seat Shares*



Looking at the results it appears that the reforms succeeded in refragmenting the party system. Prior to 1997 Constitution, Thailand had a large party system, but after constitutional reform the number of parties fell dramatically until Thailand approached a two party-system: the Democrat Party and Pheu Thai were the two major competitors in most constituencies nationwide with a

few pockets of exceptions like the Chartthaipattana Party, Chartthai Party, and Bhumjaithai Party. However, in 2019 we saw an explosion of the number of parties: 77 parties won votes and 26 secured seats (Figure 4). As a result, the number of parties has returned back to the level that we saw in the 80s and 90s.

**Figure 5**  
*2019 Seat Distribution*



With no party close to the majority, there was the necessity of creating a large multi-party coalition with 19 party members (perhaps a new world record). Despite its size, the coalition has only a slim majority. Political science research leads one to expect certain things from such coalitions. First, large coalitions with slim majorities tend to be short-lived. Secondly, they tend to not get a lot done. Prime ministers in this type of coalition spend most of their time trying to keep the coalition together by keeping everyone happy. As a result, the prime

minister does not have a lot of capacity to chart bold new policy initiatives. Even if the prime minister attempts to adopt new policies, getting the support from all members of the coalition can be a daunting task. Third, needed public goods tend to be under-supplied. Parties in the coalition tend to have more interest in capturing and protecting their spoils than in cooperating to pass needed national policies.

While some Thais may argue that the situation will be different, that H.E. General Prayut Chan-o-cha, like Prem before him, is

a strong leader capable of managing coalition politics, there are reasons to be skeptical. First, Prem himself was not able to keep the parties in line during his time in power. In fact, coalitional infighting contributed to the end of a couple of his governments. Second, governments in the 80s and 90s were notoriously unstable, even under Prem. The average length of cabinet during the 80s-90s in Thailand was 18 months. Elections were held frequently and the coalition inside the cabinet was also reshuffled frequently as Prem and later prime ministers attempted to balance the interests of all the different parties and factions in the coalition. Third, the high level of fragmentation contributed to the lack of needed economic reform and the failure to invest in needed public policy reforms during the 1980s and early-mid 1990s, contributing to the Asian Financial Crisis. The 1997 Constitution was in part a response to the perceived problems that came from party fragmentation.

Finally, H.E. General Prayut Chan-o-Cha is faced with a much bigger challenge than his predecessors in the 1980s and 1990s. He is not dividing the spoils of government between just six to seven parties but rather 19 political parties. And within many of those political parties, there are lots of factions to keep happy as well. In the end, it would be a surprise if the government of General Prayut Chan-o-cha lasted the full four years. How the government might end will also be interesting to watch. A vote of no confidence seems unlikely at present, but one could imagine General Prayut Chan-o-cha tiring of factional and party infighting and either dissolving parliament and calling a new election, or suspending elections and dispensing with an elected parliament altogether.

Let me offer a few final observations about the road ahead by talking about some of the winners and losers from this election. The big winner in the election was clearly the Future Forward Party, which did much better than most had predicted, coming in third in both votes and seats. They won more than 17 percent of the vote--only five percentage points less than Palang Pracharat. The party's strongest support came from Bangkok, greater Bangkok, and the East. In those areas, they were either the first or the second party in most constituencies. The party also did well in the upper North where it was second to Pheu Thai, but ahead of Palang Pracharat. Future Forward did poorly in the South and Northeast. To this outsider, the performance of Future Forward is interesting. The party had the most explicitly and aggressively anti-military campaign since the 1970s. They called for military reform and for the military to exit politics for good. Most parties have not taken such strong stances against the military, even after the 1991 and 2006 coups. However, the party has also clearly been deemed a threat and it will be interesting to see if it survives.

On the other hand, the biggest loser is clearly the Democrat Party. The party went from controlling almost a third of the seats in 2011 to just over 10 percent of the seats in this election. The party did poorly and lost ground everywhere (Table 5). Not surprisingly the Democrats did poorly in Pheu Thai Party strongholds in the North and Northeast. More surprising was the collapse of support for the party in the South and Bangkok, where the party has traditionally done very well. The party won only 15 percent of the vote in Bangkok, failing to secure a single seat. In the South their vote share fell from 73 percent to 28 percent.

**Table 4**  
*Democrat Party Vote Share by Region*

	2011	2019
Bangkok	50.10%	15.33%
Central	35.15%	11.75%
North	29.56%	9.58%
Northeast	10.12%	2.54%
South	73.01%	28.05%

Source: Selway and Hicken 2019a

Why did the Democrat Party do so poorly? This was a polarized election, with most parties and voters orienting themselves around the question of whether the junta should continue in power. A polarized environment by itself need not have spelled doom for the Democrats. The party has done quite well in other polarized elections, for example in September 1992, 2007, and 2011. What was different this time around? In the past the party had been clearly on one side or the other. In 1992, it was one of the “angel” parties opposed to the military government and May crackdown. In 2007 and 2011 the party was the main electoral vehicle for those opposed to Thaksin and his supporters. This time around, however, the Democrat Party was caught in the middle. The party equivocated and was internally divided over which side it was on. While it was strongly against Thaksin and Pheu Thai, the party couldn’t decide whether or not it would support Prayut for prime minister. Despite Abhisit Vejjajiva saying that he would not support Prayut, other members of the party openly disagreed.

With the Democrats unwilling to commit to either the pro- or anti-military

camp, traditional supporters of the Democrats were looking for other options, and in the polarized environment of the 2019 election they found them in the form of Palang Pracharat and Future Forward. For the first time since 2001, the Democrat Party was not the only viable alternative to parties related to Thaksin. Conservative voters who saw Pheu Thai as a threat and favored the military didn’t have to vote for the Democrat Party as a proxy for Thailand’s conservative forces. They could vote directly for the military party. And those who opposed the military yet were equally uncomfortable with Pheu Thai and Thaksin had an alternative in the form of Future Forward. In the end, both Future Forward Party and Palang Pracharat Party were able to lay claims on ideologies and positions that were once the sole domain of the Democrats.

Finally, what can we conclude about the two largest parties—Palang Pracharat and Pheu Thai? For Palang Pracharat, there is a lot to be happy with. The government was able to organize an election in which it was the largest vote-getter. And it was able to assemble a legislative majority and secure the premiership. On the other hand, there was a lot with which to be disappointed. Despite the concerted efforts to tilt the playing field, Pheu Thai still captured the largest number of seats, leaving the government with a bare majority and a large, fractious coalition. And because of the poor electoral administration, the election did not confer the degree of domestic and international legitimacy that Palang Pracharat had hoped. On the whole, the electoral administration undermined the credibility of the electoral result. Notable challenges included the banning of Thai

Raksa Chart, poorly organized overseas voting and counting procedures, the lack of clear procedures for the counting of votes, the inconsistent reporting of the results, the long delay in reporting the official result, and the failure to decide beforehand how to calculate the party list seats. All of this combined with the appointment of the Senate to reduce the positive impact of the election for Palang Pracharat.

Finally, what does the 2019 election tell us about the strength and future of the Pheu Thai Party? It is hard to see these results and not conclude that Pheu Thai was a big loser in the election. Pheu Thai was the majority in 2011, but won only 27 percent of the seats in the 2019 election. It is likely there was a decline in support for Pheu Thai, but figuring out how much is complicated by several factors. Firstly, the electoral environment was systematically biased in favour of Palang Pracharat. Secondly, the new electoral rules decreased the advantage for larger parties. Thirdly, Pheu Thai competed in only 250 of the 350 constituency seats. If the combination of

these three factors accounts for most of Pheu Thai's decline, then the party's prospects remain good. If, however, their decline in vote share represents a genuine decline in voter support then the party leaders need to be more concerned.

Together with a colleague, Dr. Joel Selway, I have done some work simulating how Pheu Thai would have done if the old electoral system were still in place, and if it had chosen to run in all 350 constituency seats, instead of leaving 100 to Thai Raksa Chart.<sup>11</sup> If Pheu Thai had run in the additional 100 seats, we estimate it would have picked up an additional 29 seats. If it had run with the old electoral system, it would likely have added around an additional 36 seats. Together this would have given the party about 40 percent of the seats in the House which is 13 percentage points less than what they received in 2011. Some percentage of this 13 point drop represents the true decline in support for the party. Figure 6 summarizes the findings from this simulation.

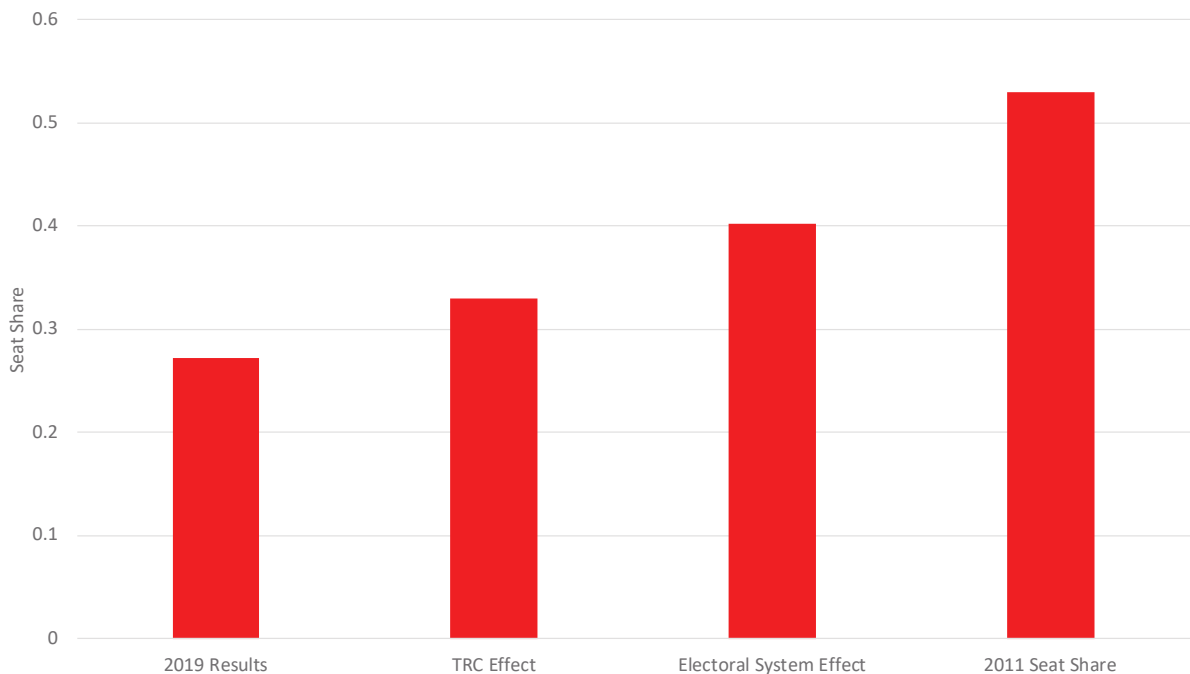
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<sup>11</sup> The details of the analysis can be found at:  
<https://www.thaidatapoints.com/post/post-1-3-estimating-the-true-decline-in-support-for-pheu-thai-the-effect-of-electoral-reform>  
<https://www.thaidatapoints.com/post/post-2-3-the-thai-raksa-chart-penalty-how-the-decision-to-split-pheu-thai-affected-final-voteshare>



## Figure 6

### *Estimating Support for Pheu Thai*



**Source:** Based on Hicken and Selway 2019b, 2019c.

## Conclusion

In conclusion, what does the election mean for Thai democracy? On the positive side of the ledger, there has been a formal end to military government, and Thailand is no longer ruled under Section 44. The March election was vigorously contested by multiple parties. The opposition has been vocal and there is vigorous debate within the parliament. And, hopefully, there will be local elections in 2020. However, the election was not free

and fair by most standards. General Prayut Chan-o-cha did not stand for election and yet still became prime minister, and military figures still play important roles in many aspects of the government. While opposition parties have been vocal there is still the aggressive targeting of the opposition with criminal charges of dubious merit. And finally, Thailand is still operating under a constitution that limits the ability of the opposition to effect policies and challenge the power of conservative forces in Thailand.

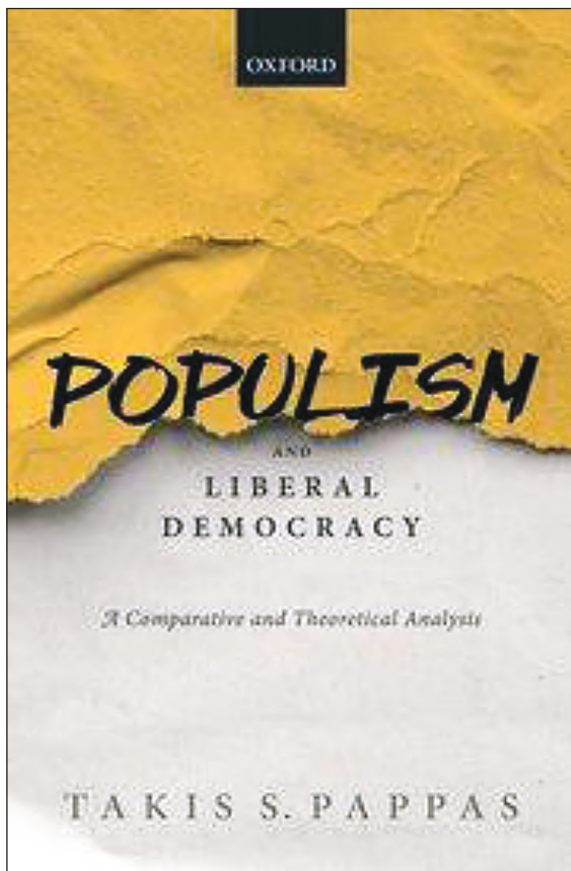
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# Populism: The Story of the Blind Men and the Elephant

*Nithi Nuangjamnong\**



*Takis Pappas. (2019).  
Populism and Liberal Democracy:  
A Comparative and Theoretical Analysis.  
Oxford: Oxford University Press.*

*“The study of populism is evocative of the  
story of the blind men and the elephant.”  
(Pappas, 2019, p. 13)*

The above quotation is the first sentence of Chapter 1 and in my opinion it aptly represents the current state of the populism study and the major problem of this work as well. The main implication of this sentence, as put by Takis Pappas (p. 13), is that scholars in populism studies tend to examine only some particular dimensions of populism such as ideologies, policies, political

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parties or movements, but cannot reach the same conclusion over the exact nature of the object of study. With the realization of that problem, Pappas aims firstly to answer the very basic question that all scholars in this field ask: "What is Populism?" The definition of populism that he develops is astoundingly minimal in that he views populism as "democratic illiberalism" (p. 33). In this sense, populism is intrinsically democratic but in opposition to liberalism (p. 3). It does not mean, however, that populism is always democratic. As Pappas later shows in some case studies (Venezuela and Hungary), it can transform into autocracy. It actually stands in between liberal democracy and autocracy.

This minimal definition encompasses the widest range of objects from actors (leaders, parties, movements), ideologies, discourses, to political strategies. Based on this, he further suggests the simple way to distinguish between populists and non-populists by contrasting populism with core elements of liberalism such as rule of law, pluralism and culture of political moderation (p. 43). Apart from the basic definition, Pappas also demonstrates the three constituent parts of populism, namely people, charismatic leadership, and symbolic politics (p. 79). As for people, he differentiates two types of people commonly found in the study of populism, i.e. the little and the average. While the former usually refers to the lower and middle class such as urban poor and wage earners, the latter represent the people in the middle strata of society who see themselves as different from both society's elites and from a poorer, "non-productive" underclass." The second component of populism, charismatic

leadership, has an unequivocal relationship to populism. The author makes it clear from the theoretical part that where there is no charismatic leadership, there is no populism (p. 105). Populist leaders are the key actors in utilizing symbolic politics. The content of symbolic strategies may vary depending on the different nature of people's resentment, be it founded on economic inequality, social injustice, or political exclusion (p. 108).

In the second part of this book, populism in action, the author tests the theoretical framework with 10 case studies in Latin America, North America, and Europe. Among these, Brazil and Spain are the two negative cases where populism did not flourish notwithstanding sharing basic commonalities with the positive cases (p. 173). The author uses these two countries as test cases to examine the aforementioned factors. In other positive cases, namely the US, Greece, Italy, Hungary, Argentina, Venezuela, Ecuador, and Peru, the author investigates the way that populists govern, the defining characteristics of populist support, and the pathways of populism. Regarding the first aspect, after winning an election, populist leaders usually aim to seize and expand their power in various directions. Their targets not only include the executive branch but also the check and balance mechanism, media, the judiciary, education, the civil society sector, and economic institutions (p.190). Another way to govern is to establish a huge patronage network between a populist leader and supporters. The benefits that supporters receive can be both tangible and intangible such as food, jobs, welfare, loans, or even impunity (p. 206). These governing styles can consequently lead to depletion of public

finances, increasing polarization in society, and the breakdown of democracy (p. 241).

In the next chapter the author tries to dig into the mindset of populist voters. The key elements of populist supporters' mindset consist of a sense of victimhood, an adversarial relation between the people and the establishment, and the principle of majoritarian superiority (p. 217). In mobilizing voters, charismatic populist leaders usually exploit and intensify these feeling in various forms of symbolic politics. Compared with liberal voters, according to the author, populists supporting voters tend to be less informed, less politically responsible, and less respectful of institutional order. All of these seem to suggest that populist supporters are largely non-rational and ignorant (p. 215).

There are three possible pathways of populism. First, populist parties can develop into established political institutions even after the death of charismatic leaders. Second, populist actors can transform into autocracy. The cases in point are Hungary and Venezuela, where liberal oppositions have been too weak to resist populist forces. Third, populist ideas and practices can be diffused and become a political model for other political entrepreneurs despite the decline or charismatic exhaustion of the populist leaders who championed them (p. 243). In the final analysis, Pappas suggests that the best way to counter populism is to refresh the liberal vision. As the context under which populism emerges essentially relates to the eroding legitimacy of a liberal political order, the solution should focus on restoring citizens' trust in liberal institutions. In doing so,

there must be strong political leadership within the liberal camp to make liberal institutions more relevant to people's problems (p. 262).

As we are probably living in "populist times" (Moffitt, 2016), this book offers a timely and valuable contribution in the field of populism. Although Pappas is not the first writer who reveals the threat of populism to liberal democracy (see for example Panizza, 2005; Kaltwasser, 2012; Peruzzotti, 2017), he is probably the first who examines the antagonistic relationship between populism and liberalism in a comprehensive manner. From the basic definition of populism, he is the first one to define it in direct relationship with liberalism. In the following chapters he further explores almost all dimensions of populism from the supply and demand side to possible consequences of populism as well as recommendations for the liberal camp to counter populism. The author implicitly employs the comparative method in elaborating the uneasy relationship between populism and liberal democracy. Even though this book does not attempt an exhaustive study of cases across time and space, it still covers up to 10 countries from various regions such as Western and Eastern Europe, and North and Latin America. The author also examines two negative cases that share the same basic characteristics as the positive cases but have escaped the populist trap.

By focusing exclusively on the incompatible logic between populism and liberalism, this book, however, falls into the trap of "the blind men and the elephant." First, the minimal definition of populism as "democratic illiberalism" basically limits the

scope of populism solely to the context of “postwar liberal democracy.” It intentionally excludes a wide range of populist phenomena such as populism that occurred before World War II, and populism in so-called “pre-modern societies” when liberal institutions were not fully institutionalized. The instances of populism that were automatically omitted from this definition includes almost all populist regimes in Asia and Africa and pre-war populism in Europe and the Americas. Second, by positing that no populism exists without charismatic leaders, the author overlooks the possibility of the rise of populism without charismatic leaders. One such case, for instance, is Bolivia under President Evo Morales (2006-2019), where the key actor in the rise of populism was the Movement toward Socialism (MAS), which was originally a social movement before it was transformed into a political party. Levitsky and Loxton (2013) have characterized populism in Bolivia during this period as “movement populism.”

In addition to “the blind men and the elephant” problem, this book fails to grasp the complexity and dynamism of populism. One particular element not mentioned in

this book is the political-economic factor. This factor, according to Dani Rodrik (2018a), can lead to left-wing and right-wing variants of populism. Besides, populism does not necessarily lead to depletion of public finances, economic crisis, and irresponsible economic policies (Rodrik, 2018b). Another dynamism that probably constitutes a fourth pathway is populism transforming itself into a non-populist establishment. The case in point was notably Peru under President Alan Garcia (1985-1990, 2006-2010). His rise to power in his first term was a classic case of “populist entrenchment” where he inherited the American Popular Revolutionary Alliance (APRA), a populist party established by Victor Raul Haya De La Torre, a typical charismatic populist leader (Crabtree, 1992). After experiencing failure in his first term, he gradually abandoned the populist style, and finally succeeded in winning a second term as a conservative (Levitsky & Loxton, 2013).

Notwithstanding these problems, this book is worth reading. Scholars who want to examine the relationship between liberal democracy and populism should start with this book.

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