Local Government Initiatives in Thailand: Cases and Lessons Learned*

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Local government practices in Thailand have become more participatory or governance-oriented since the promulgation of the Constitution of 1997 and the Decentralization Plan and Process Act of 1999. Several local governments have applied modern concepts of New Public Management and participatory approaches in performing their tasks. This article aims to describe and analyze local administrative initiatives to increase participation in recent years. Six case-studies are discussed to identify the factors that drove the local government initiatives and how local governments responded to such factors. Lesson learned from the case-studies are also discussed in the article.

Introduction

The promulgation of Royal Thai Constitution of 1997 and the Decentralization Plan and Process Act of 1999 has expanded the obligations of Thai local government to provide public services. According to these documents there are six core functions and 245 tasks to be devolved to local governments by the year 2010. While some were already devolved to localities, most of them are presently undertaken by national government agencies although they are due to be transferred to local authorities. Consequently, enhancing the capacities of local government to handle more complex responsibilities has become a high priority.

Fortunately, some local governments are well equipped to adapt to the changing environment. They realize that their previous hierarchical administrative structures and top-down decision-making are no longer sufficient to respond efficiently and effectively to all public service obligations. Though challenged with limited financial resources, these localities successfully applied modern concepts of democratization and new public management to re-conceptualize their ways and means of handling more complex tasks. Studying the experience of successful cases of adaptation and innovation will benefit capacity building in other localities.

This article is, therefore, aimed at achieving two purposes. First, it tries to identify and describe cases of local government initiatives that have occurred during the recent decentralization movement since 1999. In particular, it aims to explore the proposition that local governments in Thailand have substantial capacities to utilize up-to-date knowledge in the execution of their institutional roles. Case-studies will focus mainly on the promotion of civic participation and the applications of public management techniques that help local governments perform their tasks more effectively and efficiently. Second, as the new practices are implemented, the article seeks to explain the determinants of such local innovations. Understanding the key determining factors is critical to the promotion of local government initiatives on a wider scale.

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The article begins with a brief overview of the local government structures in Thailand. Then, it discusses the successful application of democratization and public management principles in practices. Illustrative cases are presented and explained. Last, some lessons learned are also identified for our further insight and to guide policy.

**Local Government Structures in Thailand**

**Institutional Framework**
Thai local governments are classified into two main categories; general and specific. In the general form, there are three types of local authorities located throughout all seventy-five provinces except Bangkok. They are (i) Provincial Administrative Organization (PAO, seventy-five units), (ii) Municipality (1,136 units), and (iii) Sub-district or Tambon Administrative Organization (TAO, 6,740 units). In the specific form there are two special units of local governments governing specific areas; namely, Bangkok Metropolitan Administration (BMA) and Pattaya City.

The three general forms of local governments are divided into two tiers. The lower-tier governments, municipality and TAO, function as a single operating unit, which is very close to local residents, providing local public services within their defined territory. While municipalities are located in urbanized areas, TAOs are mostly established in less-developed rural communities. By contrast, PAO is the upper-tier local government which covers an entire province and is responsible for administering local public services at the provincial level as well as for working in development projects that need collaboration among several municipalities or TAOs within the provincial territory. In other words, the service functions that cross the boundaries of any single municipality or TAO are held by PAO.

Political and administrative structures of Thai local government are similar to those of other nations. Each local government consists of the executive body and the local council, each of which is headed by locally elected persons from local residents and serves a four-year term. BMA has a rather unique administrative structure, however. It covers the whole Bangkok provincial territory and has partitioned its administration to 50 district units. Though each district is composed of the executive branch and the council, only the council members are locally elected by Bangkok dwellers. The district heads are permanent staff and indeed appointed by the BMA governor.

**Local Responsibilities**
According to two major laws, the Constitution of 1997 and the Decentralization Plan and Process Act of 1999, several tasks and responsibilities are mandated to local government. Section 282 of the Constitution mandates that the state shall give autonomy to localities in accordance with the principles of self-government and the will of the people. In the subordinate law, the Decentralization Plan and Process Act lays down that the Municipality, TAO, and Pattaya City shall perform the following tasks:

(i) Local and community planning and development.
(ii) Promotion of local economic development, investment, employment, trade, and tourism.
(iii) Local public services provision; including local roads, walkways, public transportation system and traffic light engineering, public markets, ports and docks, waste treatment, water drainage system, public utilities, parks and recreation, garbage collection, pet controls, slaughtering, public safety, natural
Local Revenues and Expenditures

In fiscal year 2004, there were four major sources of revenue for local governments: (i) Local own-source revenue (taxes, fees, charges, permits, fines, and etc.) (10.78 percent), (ii) Local revenue collected by national agencies (VAT, excises, vehicle fees, land registration, and so forth) (33.07 percent), (iii) Shared taxes (18.25 percent), and (iv) Grants (37.90 percent). In addition local governments were allowed to generate revenues from other sources, such as returns on local properties and investments, bond issuance, and so forth. In total, all local government revenue was proportionately about 22.5 percent of the central government’s total revenue.

Given the large service responsibilities of local government, local finance appears to be unbalanced. From the above figures it is clear that locally collected revenues share only one-tenth of total local revenue. These figures reveal the fact that fiscal autonomy of local governments in Thailand is still vulnerable. Local governments depend heavily on decisions of the national government on how much to share and to grant to local authorities. Still the Decentralization Plan and Process Act of 1999, requires that the proportion of total local revenues to those of central government should be no less than 35 percent by the fiscal year 2006. This mandate, in effect, forces national agencies to devolve their operating functions and human and financial resources in order to meet the mandatory Decentralization law.
Local expenditures have been established through the democratic process. Executive bodies determine annual budget documents based on local administrative codes on local budgeting and finance. Thailand’s fiscal year begins on 1 October and ends on 30 September of the subsequent year. The executive prepares the budget documents from May to July and then submits them to the local assembly in early August. Finally, budget documents are endorsed by either a provincial governor or a district head. The documents normally present revenues by sources and categories, and expenditures by programs and items, debt financing, and a summary of a previous year’s fiscal status.

Local governments are authorized by law to have their own discretion over local development planning and budgeting with respect to the demands of local residents. Still, the Department of Local Administration Promotion (DLAP) of the Ministry of Interior, has issued several guidelines and advice on local budgeting, accounting procedures, and fiscal management. In addition, since 1998 the department has tried to influence local budget formulation by encouraging the use of participatory approaches in the budgetary processes.

Civic Participation

In recent years, many scholars have argued for an enhancement of public participation in the policy making process (Adams, 2004; King, Feltey, and Susel, 1998; Schneider and Ingram, 1997; Dryzek, 1990). Public participation is a political and social arrangement in which people can have access to various stages of decision-making in government agencies. Participation can be exercised in several forms, ranging from the narrow conception of political participation through voting, to the broader conception of self-initiative and self-mobilization (Ilago, 2001; Pretty et al., 1995). In other words, participation can range from a passive to proactive movement of local residents in communal affairs. Yet, how to design institutional structures and procedures to allow citizen inputs into policy agendas is not a simple task.

Present directions for civic participation in Thailand were derived partly from the institutional and social changes after the financial crisis of 1997 and partly from the promulgation of the 1997 Constitution (UNDP, 2003). An economic boom from the mid-1980s preceded the crisis but tended to an urban bias and had several devastating effects on the country’s sustainable development such as depletion of natural resources, environment deterioration, industrial pollution, and a growing income gap. When the economy collapsed in 1997, the crisis suddenly raised the awareness of local communities against the domination of state controls over economic and human resources planning. The faith in the superiority of national government and in the reliability of urban-based economy was shaken. The number of public movements toward more community concerns multiplied. Communities had sought alternative ways to express their views and defend their rights to give their voices to the state’s public policy making. Ideas of community empowerment thus gained much attention from several parts throughout the country, including ministerial and departmental administrations, local communities, NGOs, and international development agencies.

The promulgation of a new Constitution in 1997 also forced the institutional and legal shifts toward more transparent public administration. Sections 76 to 79 mandate the state to strengthen local participation in both national and local government decision-

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making processes. People have the right to be involved in developing public policies, making decisions on local issues, providing views and information on economic, social, and political development plans, and inspecting the exercise of state power at all governmental levels. This has laid the foundation for more accessible government administration.

There have been several good initiatives of local government that chiefly encourage public participation through local public policy making and implementation. Khon-Khan Municipality, Suan-Mon TAO, and Huai-Kapi TAO are among those that have enhanced democratic values in local governance. Evidence of their success was the fact that the King Prajadhipok’s Institute selected these three organizations the Transparency and Good Public Participation Award in 2001. 

Khon-Khan Municipality: Town Hall Meeting
Khon-Khan municipality is a good example of facilitating civic participation in city development planning. Located in downtown Khon-Khan province in the Northeastern part of the Kingdom, Khon-Khan city has a population over 130,000. The city has enjoyed dynamic economic and social growth and the municipality plays a significant role in providing infrastructure development, primary education, community health and sanitation, social welfare, and the expansion of employment and income.

As a large and robust community, in 1997 Khon-Khan municipality based on its own traditions developed a participatory approach in the so-called “focus group meeting”. Originally, focus group meetings were set up to be a venue for policy discussion between municipal administrators and local residents who observed problems which might arise in the municipality’s development programmes, including the environmental and societal impacts of infrastructure development, urban planning and development, and so on. In the beginning, more than thirty communities formed groups and had wide policy debates among group members. Then, each group representative joined a policy dialogue in a focus group meeting with the municipal administrators to find appropriate solutions. This group meeting was very successful in encouraging interactive consultation between the local authority and its citizens. In 1998, the approach was extended to the town hall meeting.

Unlike the focus group meeting, town hall meetings are held on a regular basis, usually every three to four months, as a forum for broader policy-related issues. The prime objective of town hall meetings is to discuss and agree on any municipal project that might have significant impacts on the general public. Town hall meetings give the public an opportunity to agree on the projects before they are implemented. Those who may be adversely affected by the municipal projects should be informed and invited to the meeting. The mayor will chair the meeting and will ask the persons in charge of the projects or experts to elaborate on the issues in more detail. Then, the dialogue will start until reaching an appropriate collective solution. In the past few years, more than 140 representatives of civic communities participated in these meetings. Town hall meetings have proved beneficial not only to the local development policy making and implementation but also to the enhancement of political accountability toward local constituents.

Suan-Mon TAO: Civic Forum
Suan-Mon TAO has adopted a more radical approach to civic participation. Located also in Khon-Khan province, with a population of about 7,900, Suan-Mon TAO is a small
scale local government which has adopted a progressive way of public participation. Basically, Suan-Mon tambon consists largely of poor farmers. Thus, the TAO could seldom collect local own-source taxes to finance its public programs. In fact, it depends on centrally collected taxes, revenue sharing, and national grants for up to 94 percent of its total revenue.

In the past, Suan-Mon TAO has faced communal conflicts exacerbated by pork-barrel budget allocations. With the weak leadership of the TAO mayor and a tiny annual budget, local development planning was limited. Indeed, public monies were dispersed on demand to each local public interest group to fulfill its own self-interested purposes. Inevitably, conflicts among local interest groups prevailed and eventually an even allocation of the TAO budget was shared out among competing groups. Thus, prioritization of TAO development programs could not be realized.

With the guidance of the Ministry of Interior in 1998 to encourage the use of a participatory approach in allocating the TAO’s annual budget more meaningfully, Suan-Mon TAO adopted the “civic forum” approach in enhancing local planning and budget allocation in late 1999. The civic forum consists of two-level policy and budget dialogues. The first is a village forum which is a sub-unit of the tambon (sub-district) and the second is a tambon forum which covers the tambon-wide territory. Each forum has its own committee members, chairperson and secretary.

There are 14 village forums scheduled annually from March to April. Each forum is chaired by the village head. In this forum, community leaders, mostly senior civic leaders, occupational groups, government officials who work in the village and other communal residents gather around and discuss the village’s problems and needs. They also prioritize their village’s proposals for submission to the upper forum at the tambon level. The proposals for development projects of each village are submitted with a ranking in an order of importance or urgency. Usually there are about thirty to one hundred residents joining each village forum.

The tambon forums follow a process similar to the village forum. Seven to ten participants from each village (totaling more than a hundred residents) attend the forums to have intense dialogues on tambon-wide needs and priorities. Each village’s proposals are discussed and prioritized based on need. The development proposals are then submitted to the TAO council meeting. The tambon forums are normally held in May of each year and are scheduled till the consensus is reached, usually from one to three times.

The council meeting on the TAO budget appropriation is held around June – July just before the fiscal year begins. In fact, the meeting is an “artificial” one in which the development proposals from the tambon forum are officially approved within the financial feasibility of the TAO. Putting in another way, TAO executives and council members respect the civic forum’s ideas and decisions. Budget contents, as a result, are similar to those proposed by the tambon forum. Further, after the annual development plan and budget documents are legalized, they are sent back to the civic forum committee so that the committee can use them to monitor budget execution.

Besides the civic policy dialogues, the Suan-Mon TAO also encourages civic monitoring and assessing of TAO operations. Civic leaders are actively involved in monitoring TAO service delivery. Moreover, these leaders, normally two to four persons, also serve on the procurement committee to investigate all TAO purchases in
order that malpractices of the TAO administration will be defeated. By this practice, of half of public complaints about purchasing malpractices were reduced. After implementing the participatory budget, the problems of conflict ridden, pork-barrel budgets were resolved. Community development directions were more focused and civic ownership was strengthened. TAO annual budget can be set in accordance with its medium-term (5-year) developmental priorities rather than dispersedly allocated due to the strength of few local interest groups.

**Huai-Kapi TAO: Local Development Planning Forum**

Huai-Kapi TAO is another example of small scale local government which promotes civic participation in local development planning. Huai-Kapi is a relatively large TOA with approximate 11,000 residents, located in Muang district, Chonburi province, in the Eastern part of Thailand. It had annual revenues about 19.2 million baht in 1997, of which 1.4 million baht or about seven percent was granted by the national government.

From 1997 to 2000, Huai-Kapi TAO faced a gradual decline in local revenue collection, though its agriculture-led economy was rising steadily. In 1998, with the strong leadership of the TAO mayor, Huai-Kapi initiated a civic forum for local development planning and budgeting. The forum was a means to increase public understanding of the council’s institutional roles and awareness among local residents of the importance of tax duties to support the provision of TAO public services. However, before the forum began, the mayor and TAO staff organized a one-day training course for civic leaders to introduce them to the objectives of the forum and their expected civic roles. This TAO’s initiative was a significant process to prepare and educate the citizens to have a democratic understanding well before the actual civic forum began.

The civic forum is similar to that of Suan-Mon TAO. It consists of a two-tier forum and is the venue at which local residents gather and voice their difficulties and demands. The TAO mayor, chief executive officer, TAO staff, village heads, civic leaders, local business leaders, occupational groups, representatives of pertinent central government field staff, and local residents (roughly eighty members) attend a one-day discussion of the sub-district’s problems. All community needs are collectively identified and prioritized. Then, through the forum consultative process, the conclusion and policy recommendations are derived and submitted to the TAO council. The policy proposals then are discussed at the council meeting and put into the annual developmental plan and budget appropriation, mostly the same as those proposed by the civic forum. The outcomes of TAO initiation helped not only increase the public acceptance of the TOA but also improved the budget allocation process, making it more relevant to local needs.

**New Public Management**

New Public Management (NPM) is management change in institutional rules and organizational routines affecting expenditure planning and financial management, civil service and labor relations, procurement, organization and methods, and audit and evaluation (Barzelay, 2001). It affects how government agencies are managed, operated, and overseen. Fundamental themes of NPM are derived from managerialism (Pollitt, 1993) and economic rationalism (Pusey, 1991). Principally, NPM is focused on the uses of market-based and business-like ways of public administration to achieve public goals. Although some scholars are skeptical of its applicability to the public sector, the prospect of NPM seems to be convincing (Hughes, 1998; Mathiasen, 1999).
The emergence of NPM in local administration in Thailand was found its roots in the administrative reform movement at the national level. Since June 1997, the National Administrative Reform Master Plan (effective during 1997-2001) focused on the reform values of streamlining and downsizing the public sector. Indeed, the core values of the reform plan were first unveiled partly by the globalized bureaucratic reform trends and partly by western-educated practitioners and scholars who influenced most of the reform agenda. Since then, the movement toward NPM has gradually appeared as political rhetoric at both national and local governments.

Nevertheless, NPM concepts at the local authority level were implemented selectively, rather than as a whole, systematic management change, as were the cases of some other developing countries (Samaratunge and Bennington, 2002; Larbi, 1998; Common, 1998). As we shall see NPM components may be found in four cases discussed below. This is so probably because local governments saw the limitation of implementing overall radical change or perhaps they had a limited understanding of NPM. Yet, such restricted implementation has brought about the desired outcome for the respective local governments. The four illustrative cases of NPM initiatives are Huai-Kapi TAO, Phrae PAO, Rayong municipality, and Praya-Bunlou TAO, respectively.

Huai-Kapi TAO: Citizen Survey and Tax Collection Improvement

Huai-Kapi TAO is an example of local government which adopts NPM concepts in its planning and administrative functions. As already mentioned, Huai-Kapi was faced with gradual decline in local revenues from the year 1997 to 2000. After the civic forum was successful in escalating the level of public acceptance of TAO’s roles in 2000, it then launched a household survey program to push forward more meaningful local development planning forums. The survey was adopted to provide more comprehensive and detailed information about the needs for local public services for medium-term (five-year) planning. The initial surveys conducted in 2001 covered 411 households (18 percent of total households), scattered throughout all villages in the territory (See Table 1). After the survey was completed, the data was analyzed and brought into the civic forum to ensure that the identification and prioritization of medium-term development schemes fit local needs and available resources.

### Table 1

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<th>Top Five Priorities of local demands</th>
<th>Percent of respondents</th>
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<tr>
<td>1. Public telephones</td>
<td>91.5</td>
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<tr>
<td>2. Drug and narcotic controls</td>
<td>84.5</td>
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<tr>
<td>3. Health promotion and mobile clinical services</td>
<td>74.6</td>
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<tr>
<td>4. Garbage collection and disposal</td>
<td>72.9</td>
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<tr>
<td>5. Elderly welfare</td>
<td>69.5</td>
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A year later, Huai-Kapi TAO began a new program to stimulate revenue growth; namely a tax collection improvement programme. Huai-Kapi adopted the participatory approach to undertaking this program. The TAO adopted three major measures: (i) civic tax committee (CTC), (ii) civic tax education (CTE), and (iii) improvement of tax collection process. Firstly, the TAO established the civic tax committee as an immediate measure to address tax collection problems and to generate guidelines for improving tax collection procedures. The committee was composed of TAO staff in the fiscal division, village heads, and local business representatives. The committee conducted a field survey,
met with delinquent taxpayers, and recommended new measures to improve tax-collection efficacy; such as tax education for citizen, tax-budget guide, and the improvement of the tax collection process.

Civil tax education is a longer-term and continuous effort to educate local residents in realizing the costs of local democracy and civil society to be borne by citizens. Several tax messages were sent out to the public in numerous ways; such as informing them periodically of tax-paying information and actual tax-revenue collection, providing a one-hour tax learning package with community training programs, and delivering a tax-budget guide to inform local dwellers how locally collected taxes and local public services were matched with each other. Direct notification of tax dues to each taxpayer also offered a preventive solution to the tax delinquency problems. Finally, a tax collection process was fostered to bring new taxpayers into the local tax registration system and was expedited to make the system more efficient. Additionally, a rigorous personnel training system was enforced to develop tax collection staff competencies, mostly oriented to job-related skills and improving service-mindedness, both needed for the fulfillment of job requirements.

After adopting several changes in the policy making process, using household survey and other practices such as more effective expenditure management and more efficient tax collection measures, citizens were more satisfied with the development programmes and other local public services provided by Huai-Kapi TAO. Public services seemed better matched to public demands. Tax collection rates of Huai-Kapi TAO, which may serve as a proxy of the political acceptance of local authority, rose sharply and local revenues increased drastically from 10.8 million baht in fiscal year 2001 to 22.6 million baht in fiscal year 2003.

Rayong Municipality: Medium-Term Fiscal Planning Program (MTFPP)
Rayong municipality provides an example of adopting medium-term fiscal planning to sustain its service provision and development programs. Located in the East of Thailand, Rayong city has grown rapidly since the development of the Eastern Seaboard Project in the early 1980s. In 2004 Rayong had a population of more than 60,000 people. Because of its rapid growth, local public services have been in high demand.

Prior to the year 2000, Rayong municipality, similar to other local authorities in Thailand, managed its core responsibilities on a single year basis. All revenues and expenditures were bounded within one fiscal year. This practice imposed fiscal constraints and management rigidity in making long-term development plans to meet unevenly increasing service demands. Furthermore, the practice did not encourage the efficient use of available resources to balance multi-year spending and investment. Thus, in the year 2000, the Rayong mayor, with technical assistance from the City of Portland, Oregon, and the International City/County Manager Association (ICMA) of the United States, initiated medium-term financial planning and administration as a financial buffer to minimize the risk of shortages of revenue.

Under this initiative the municipality developed the Medium-Term Fiscal Planning Programme (MTFPP). Fundamentally the programme involved a producing a five-year plan that covered overall municipal expenditure and revenue. In short, its definition of budget balance was broadened from a single year to a multi-year basis (Rubin, 2000). On the expenditure side, on the one hand, the budget forecasts the levels of public services demanded, both qualities and service coverage, for the next five years.
This forecast also accounts for potential changes in administrative ecologies that might affect service provision, such as demographic trends, local economic growth, social and technological development, and other environmental and natural resource factors. Further, municipal investment projects were simultaneously included to determine the total level of resources needed to meet all spending requests.

In the revenue side, on the other hand, the new method required the forecast of all sources of local revenues in a five-year period, using previous tax collection data, existing and future tax rates, and possible changes in tax bases in accordance with changes in political and socio-economic factors, within the same timeframe as that of the expenditure estimation. After putting the revenue and expenditure plans altogether, the deficit or surplus is clear for a five-year time horizon. As a result, appropriate measures to cope with the budget deficit or surplus can be articulated in advance; for example, debt-financing, requests for development grants from the national government, and so forth. Effective fiscal measures, hence, can be employed to avoid future budget shortfalls. This sort of medium-term planning not only provides financial stability to Rayong Municipality but also leads to the continuity of municipal services provision to meet endless and fluctuating public demands.

Phrae PAO: Contracting-out Sports Center Administration
Phrae PAO is located in Northern Thailand and has an approximate population of 450,000. One of its responsibilities is to administer a provincial sports center to serve the local residents. In 2001, the provincial sports center was devolved to PAO from the Sports Authority of Thailand in accordance with the manifesto of the Decentralization Plan and Process Act of A.D. 1999. In the beginning the PAO administered the sports center using traditional ways. That is, the PAO set regulations, hired more staff, and requested additional public monies.

Residents who want to use the sport facilities must pay an entrance fee of 20 baht each (equivalently to .50 US dollar). The fees are comparatively lower than those charged by private sports clubs. After a year of PAO’s administration, however, the PAO faced huge losses and many complaints about service quality. In response, PAO’s administrators sought a more efficient way to manage the sports center. They decided to contract-out the management of the sports facilities to a private company to encourage the service to be operated in a business-like approach. The PAO stipulated, however, that user fees must remain unchanged and that the company must improve service quality. These requirements were in exchange for granting management and financial autonomy to the company to administer the center, including the right to earn a profit if the business was successful.

By 2003, the privately managed sports center was offering better quality service. Customer complaints were significantly reduced and the number of users drastically expanded (from 156,415 in 2001 to 559,784 in 2003). Moreover, the company gained attractive returns on investment (from -4.76% in 2001 to 22.24% in 2003). As a result the PAO has reduced costs and the sports center provides better services. In sum, this NPM practice of contracting-out provides not only a better service quality to the citizens but also allows the Phrae government to operate at lower cost.

Praya-Bunlou TAO: TQM and Performance Evaluation
Service quality and performance standards should be a key concern of public administrators in most, if not all, government agencies. Yet, designing and implementing
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a quality assurance system is not an easy task. A distinctive case of employing an organization-wide quality management and performance system is Praya-Bunlou TAO, located in Ayudhya province, a small-scale and rural-based locality in the central part of Thailand. The population of Praya-Bunlou TOA is relatively small at only about 5,000 residents.

Prior to 2002, the distribution of local government services in the Praya-Bunlou TAO had a nepotistic character. The TAO tended to provide services based on personal connections particularly to those whom the TAO officials were familiar. Under such conditions that lacked work standards, TAO administrators found that the implementation of several projects was undermined, internal conflicts emerged since no clear roles and responsibilities were constituted, and sometimes the TAO incurred unnecessary expenses because of internal communications problems and overlapping and duplicated work.

To rectify these problems and to address increasing public complaints about TAO performance, in late September 2002 TAO administrators held a serious discussion and sought ideas to improve their organizational performance seeking more effective and modernized administration. They began to realize the importance of service quality and performance standards. With the leadership of the TAO’s mayor and permanent secretary and with the involvement of employees, the TAO then adopted the Total Quality Management (TQM) approach to cope with the problems. In November 2002 they promulgated the slogan “TQM, Ethics, and Performance Standards” to the general public in Praya-Bunlou. Under this scheme, the TAO management team pushed the TAO to improve its service quality. In addition, they developed a Code of Employees’ Ethics as well as multi-dimensional Key Performance Indicators (KPIs) to cover all eighteen TAO job positions. Beyond that, the TAO management team undertook a performance evaluation process every three-months. The evaluation will be scored on a three-scale rating: acceptably good, fair, and improvement needed. The scores will then be fed back to each employee to improve their performance.

After the first six-month implementation of TQM and the performance system, the TAO’s service quality had improved significantly in all service functions. In the first performance evaluation, three employees were evaluated as acceptably good, twelve were evaluated as fair, while the rest needed improvement. Besides, local residents reported in the TAO citizen survey that local services had improved greatly. Citizens also reported that they now know more precisely what kind of services are available from the TAO and the length of time to receive the requested service. Not surprisingly, these organisation-wide changes solved the earlier management difficulties successfully by using well-planned methods, public monitoring and audit, and the involvement of all staff from the beginning through to actual implementation.

Synthesis: Building Knowledge from Six Case-Studies

What can we learn from the above case-studies? Set out in Figure 1 below is a summary of innovative practices of Thai local government in recent years. They include town hall meetings, civic forums, local development planning, household surveys, tax collection improvements, medium-term fiscal planning programmes, TQM, and performance evaluation systems. The first three initiatives are to promote public participation in local planning and decision-making whereas the rest are public management techniques designed to help local governments meet their missions under challenging administrative circumstances.
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Determinant Factors of New Local Governance

What accounts for the transitions of traditional administration to open and more business-like practices? The author hypothesizes that political leadership and institutional financial stress pushes a range of public management reforms (Campbell and Halligan 1992; Barzelay 2001). Thus, there are at least two major contributing factors to consider; specifically (i) political leadership and (ii) fiscal conditions of local governments. Since the first determinant is somewhat abstract, the author alternatively uses the leaders' occupational backgrounds; such as bureaucrats, businessmen, academics, farmers, and etc., as a proxy indication of leadership styles.

Among the six case-studies, a majority of local leaders had a business-related background which possibly contributed to the advent of local government innovations. This fact might imply that a business person has a mission-oriented and flexible management approach to organizational operations. Besides, they often ensure better services with less cost (Samaratunge and Bennington, 2002). Thus, this causality seems straightforward.

This conclusion should be interpreted with caution, however. The insight that business persons usually initiate administrative change does not necessarily mean that all local managers should have a business background, since political leaders with other backgrounds (as shown in Figure 1) have also stimulated administrative changes and since some with business backgrounds might actually harm the interests of local community. Still, the cases indicate that leaders should have characteristics which resemble those of a good businessman; for instance, mission-oriented, flexibility, highly valuing public money, and so forth. This observation is very crucial for public policy makers to formulate the policies that help elevate the competencies of local administrators needed for this era.

Next, organizational financial stress also drives the reform of management practices (Zifcak 1994, Campbell and Halligan 1992, Pusey 1991). Sometimes called “economic rationalism”, management changes flow from macroeconomic crises down to the micro level of budgeting and public financial management. Need for a smaller but more efficient government has led to retrenchment of government budgeting and cumbersome administrations. Four out of the six case studies discussed here where characterized by internal fiscal rigidities. The decline of local tax-revenue collection and instability of financial management of localities compelled administrators to seek ways to secure their resources. As a result of reform, local governments could have sufficient resources for delivering public services during a certain period. In addition, expensive service delivery and declining service quality also drove local administrators to find better ways of providing services, at less cost. Lastly, difficulties in mobilizing scarce resources to realize the local governments’ priorities also made budget allocation a political game between competing interest groups. As a result the pre-reform situation ended with fragmented local development programs and an illegitimate development policy. In sum, all these fiscal difficulties were quite a cogent force for local governments to adapt themselves to the new administrative practices (see Figure 1).
Selected local governments chose several ways to avoid such fiscal difficulties. The strategies included: (1) making local politics more meaningful to local residents by creating a good relationship between local administrations and residents and by providing public services that met public demands; (2) improving revenue administration by expediting the tax collection process and by advancing system efficacy; (3) reducing government costs by seeking more efficient and effective ways of expenditure management to minimize operating costs and to increase public program effectiveness; and (4) enhancing fiscal stability for long-term service planning and the sustainability of local development projects. These strategies varied among the cases according to need and local governments’ financial problems.

Last but not least, the previous two determinants result from internal pressures. Some external determining factors also counted toward the reform initiatives in the selected cases. For instance, public perceptions and awareness on local government failures in service provision resulted in pressure for change. Where local citizens grow in democratic literacy, they become actively involved in local affairs. Furthermore, growth in the local economy also provided larger local tax bases for local governments to generate more revenue. The enlarged tax base facilitates local governments adopting new administrative approaches in at least two respects. Firstly, it allows local governments to examine thoroughly whether or not their tax collection capacities are

<table>
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<td>Khon-Khan Municipality</td>
<td>Town Hall Meeting</td>
<td>Business people</td>
</tr>
<tr>
<td>Suan-Mon TAO</td>
<td>Civic Forum</td>
<td>Farmer</td>
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<td>Praya-Bunlou TAO</td>
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n.a. means that no fiscal problem exists
comparable with the local economic growth. Secondly, it forces local governments to provide more public services, both qualitative and quantitative, to meet expanding public needs. It cannot be denied that local governments should improve their capabilities to meet growing demands for public services.

Finally, technical assistance from external agencies is also worth considering. This knowledge transfer help stimulate local governance transformation, as in the cases of Suan-Mon TAO and Rayong Municipality. Thus, when the understanding of local personnel to solve local affairs is limited, external support may be another determining factor of successful local administrative reform.

*Approaches to and Intensification of Civic Participation*

The term “civic participation” is somewhat broad. In fact, the term can be categorized into different types according to the intensity of civic involvement in local affairs. (See Figure 2)

The basic form of civic participation involves citizens providing information to their local government. The tax committee and tax education in the case of Huai-Kapi TAO are of this type. These methods of civic participation function as a venue for hearing citizen’s voices. Usually, local authorities receive opinions and feedback from citizens in the course of the decision-making process. Yet, it may be one-way communication if residents do not know whether their feedback has an impact on local government decisions. Thus, these types of civic participation are not deliberative and are an ineffective vehicle for creating public commitment in local affairs (Adams, 2004). In short, this category allows the public to play a very passive role in local government affairs.

**Figure 2**

**Approaches to and Intensity of Civic Participation in Thai Local Government**

<table>
<thead>
<tr>
<th>Participation in Information Giving</th>
<th>Participation by Consultation</th>
<th>Participation by Involvement and Audit</th>
<th>Civic Self-Mobilization</th>
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<tr>
<td>• Tax Committee (Huai-Kapi TAO)</td>
<td>• Town Hall Meeting (Khon-Khan Municipality)</td>
<td>• Inspection of public procurement (Suan-Mon TAO)</td>
<td>• Civic Forum (Suan-Mon TAO and Huai-Kapi TAO)</td>
</tr>
<tr>
<td>• Tax-Budget Guide and Tax Education (Huai-Kapi TAO)</td>
<td>• Household Survey (Huai-Kapi TAO)</td>
<td>• Public monitoring of TAO performance (Praya-Bunlou TAO)</td>
<td></td>
</tr>
</tbody>
</table>

Civic consultation is a more meaningful approach to local participation. In this category, people can voice their ideas directly on local affairs through the provided channels in the decision-making process. The public and the authorities may have interactive dialogues over issues of concern. In the case of Khon-Khan municipality; for example, the town hall meeting was a venue for citizens and administrators to meet and to have a meaningful discussion. Citizens can provide feedback and recommendations on political agendas. Yet, the authorities still set the agenda and hold total decision-making power over what local governments should or should not do. Local citizens still have, as a result, limited influence on local development policies.
The third category is public involvement in program implementations and audits. In this activity people have a greater chance to be involved in carrying out local government programs. As in the case of Suan-Mon TAO, local dwellers may be very proactive in programme evaluation. In effect, they can monitor whether the programme objectives are accomplished. Besides, public audits of programme success also ensure that project execution has a better chance of meeting desired standards and qualities. This type of participation, hence, can help local officials refrain from malpractices and improve program effectiveness.

Last, civic self-mobilization is the most proactive approach in this classification. The case of the Suan-Mon civic forum is an example citizens and officials deliberating over public issues and making arguments that can influence public officials to take collectively desired action. All citizen who attended the civic forum are given equal chance to express their opinions, approximately equal time to voice their concerns, and equal vote on the issues being discussed. To this extent, the community itself sets the agenda and decides on the policy directions and related developmental programs through intensified discussion in multi-level civic forums. The local government acts as a vending machine in implementing the policies and completing routine procedures in accordance with local decisions. This is somewhat a “community steering and bureaucratic rowing” type of public administration and, thus, making local governance reach the core of democracy (Adams 2004).

Next Steps: Capacity Building and Knowledge Dissemination
From the case-studies this article has shown positive changes emerged in response to both internal and external metamorphoses. Organizational leadership is imperative to transformation. All the case studies have shown that the changes were purpose-driven with political dedication rather than just political rhetoric; otherwise the intended reforms might have lacked consistency and continuity (Campbell and Wilson, 1995). This suggests possible policy guidelines for strong leadership to overcome over-formality and the resistance to change typified by traditional local administration.

Still, the reform initiatives were implemented in part to overcome immediate local problems and may not be sustainable in the long run. Local governments may lack capable personnel or may consider only short-term activities to solve the problems at hand without thinking systematically or holistically. This suggests that capacity building is necessary to improve the management literacy and related skills of local personnel to lift the degree of local management to meet ever increasing public demands.

Knowledge transfer and dissemination on a wide scale should be adopted and institutionalized to accelerate smooth and successful reform. Institutional arrangements for such purposes call for more attention and collaboration from government agencies, scholars, and practitioners. In particular the situation calls for the transfer of new frameworks and practical theories, informed by local knowledge to ensure sustainability.

Limitation of the Study
The case studies discussed above are all success stories and, arguably, their results may be difficult to generalize. A discussion of cases of failure would undoubtedly deepen our understanding of the determinants of innovative change. This suggests that further study of the issue is warranted.
Summary
In recent years, Thai local governments have attempted to implement a range of policies to promote more public participation and new public management practices. Both domestic and international influences have driven these public administration initiatives. Domestically, the financial crisis in 1997 spawned a new mentality that valued new principles of local government administration and administrative laws that were more open and that made bureaucracy more transparent. Internationally, the good governance trends of managerialism and market-based economy also pushed administrative innovation toward more efficient and mission-oriented public management. The emergence of new local governance structures and management initiatives has different characters and intensities according to local needs and determining factors. Though the reform packages are incomplete, they have been seriously undertaken and their future prospects seems positive. Understanding of causes and effects of six illustrative case studies can facilitate the generation of appropriate policies needed to design local administrative systems that best suit local communities.

Notes
2. As of June 2004, Department of Local Administration Promotion, Ministry of Interior, Thailand.
3. Department of Local Administration Promotion, Ministry of Interior, Thailand.
4. King Prajadhipok’s Institute or KPI is a public autonomous organization established under the supervision of the National Parliament to promote education in democracy and governance among Thai people.
5. Evaluation was obtained from an interview with TAO Permanent Secretary on 3 February 2004.
6. Notice that there is no politician as an occupational background since, in Thailand, salaries are not paid to elected official at the local government level.
7. The author has received this insight from discussions with Prof. Dr. Charas Suwanmala of the Faculty of Political Science, Chulalongkorn University and would like to give special thanks in this occasion.

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