It is our intention to decentralize administrative and development authority to the Tambol level and this needs to be done urgently. Villagers should participate in daily democracy instead of merely exercising their rights to vote once every four years. Apart from rice-roots democracy, the scheme was also to give cash and jobs to the farmers during the lean summer months.

Boonchu Rojanasathien

The state is incapable of guiding and supervising farmers. Nowhere has it succeeded in doing so. All decisions must be decentralized toward rural villages. Only there is true country life to be found. The village must be transformed into a veritable development enterprise, a decision and management center.

Maurice Guernier

Introduction and Objectives

Economic inequality is certainly a burning issue in the Third World. Directly related to this problem is the sense of powerlessness felt by villagers in the peripheries of highly dualistic societies. In such contexts, powerful administrations in large primate cities such as Manila, Santiago, and Bangkok have tended to dominate political and economic life.

Gerald W. Fry is Assistant Director of the International Studies Program and Assistant Professor of Political Science at the University of Oregon. This paper was originally presented at the National Conference of the American Society for Public Administration in March, 1982 in Honolulu, Hawaii. The author wishes to thank the Ford Foundation, the Asian Institute of Technology (AIT) and Khun Boontharee Phoonchai, Reference Librarian at the Institute. Also Khun Tasnee Suthinark's excellent AIT thesis on the Tambol Council contributed importantly to this study.
Associated with highly centralized dualistic development is what I term bureaucratic pathology. The simple phrase, administration is power, not service, perhaps best epitomizes bureaucratic pathology. Also associated with bureaucratic pathology are these characteristics:

1. pervasive corruption
2. lack of enthusiasm for and commitment to public service
3. boredom and anomie in organizational life (exemplified by late arrivals, long lunches, and early departures from offices)
4. one way top-down communication between the government and citizens
5. excessive concern for internal rather than external aspects of organizations with excessive politicking related to membership in cliques and personal promotions within the bureaucracy.

Though Thailand has had a professional public service with many competent and dedicated civil servants, serious dissatisfaction with Thailand’s military dominated bureaucracy erupted in an unexpectedly violent student uprising in October, 1973. Following the revolution, a large number of reforms were initiated in Thailand, primarily oriented toward increasing social justice and providing more opportunities for broader participation in Thai policy-making. As a result of the more open political environment, a new rural development programme was launched in 1975 which was aimed at decentralizing Thailand’s administrative system.

It is the major objective of this paper to analyze Thailand’s new development strategy of decentralization, particularly with regard to its application to rural development. Also discussed as background are the major arguments for and against the decentralization of administration in developing countries.

The Thai Bureaucratic Context

There is an extensive literature on the Thai bureaucracy. A major emphasis of such research is the importance of the bureaucracy, and, thus, Riggs aptly describes Thailand as a bureaucratic polity. Nearly every Thai cabinet has involved the participation of prominent bureaucrats and technocrats. Saneh’s excellent historical case study of the Ministry of Education illustrates the highly centralized nature of Thai public administration. Key personnel of the Department of Local Administration, the agency responsible for defining and directing local government in Thailand, are national civil servants frequently shifted from one area of the country to another. Even district officers, the most important administrators at the subprovincial level, are national public servants. During the early stages of nation-building, a highly centralized system was
essential to mould Thailand into a unified whole. Particularly in the 70's after the student revolution, pressures for decentralization increased dramatically resulting in the innovative Tambol Council Programme which is analyzed in this paper.

The Arguments for and Against Decentralization

In nearly every polity, there is considerable debate concerning the desirable degree of administrative decentralization. Obviously total decentralization would lead to anarchy and complete centralization to inflexible rigidity and control. There is, of course, an extensive literature on decentralization. For the most part, social scientists urge Third World governments to make their administrative systems more decentralized as a means to promote responsiveness to local needs, popular participation, and efficiency in delivering public services. Frequently, developing countries are reluctant to decentralize or deconcentrate for reasons to be discussed below.

The major arguments for decentralization can be briefly summarized as follows: First, there is the issue of optimal organizational size. There is considerable evidence that excessive organizational size results in administrative inefficiency, despite possible economies of scale. For example, in the U.S. major productivity increases and employment expansion in recent years have been primarily the result of the activities of smaller organizations. Bureaucrats in larger countries often mention that the success of nations such as Singapore, Denmark, and Switzerland is facilitated greatly because they are small. Large countries can also “become smaller” and enjoy similar success by decentralizing. Small is both beautiful and possible.

A second related argument concerns information and decision-making overload with subsequent bureaucratic delay. In the past several decades population has grown and information expanded dramatically in most countries. Complexity has also markedly increased. Given such a context, highly centralized bureaucracies are often unable to be responsive resulting in considerable frustration and alienation among ordinary citizens. In Thailand, for example, it has been found that a major factor contributing to insurgency has been dissatisfaction resulting from interactions with government officials.

Third, there is the issue of corruption. In highly centralized systems, costs become so aggregated and large that corruption is difficult to detect or ascertain. Much corruption relates to construction. It is extremely difficult to judge construction costs when they concern projects in the millions of dollars. If the costs of a small road project, however, are too
high, such discrepancies can be more easily recognized. Thus, with disaggregated expenditures, it should be much easier to detect corruption or financial irregularities.

Fourth, there is the question of incentives to economize and to utilize funds effectively. When funds are considered to be those of the "outside" central government, there is no real incentive to economize. Savings accrued normally revert back to the central government and may result in smaller future budgets. In decentralized systems, however, cost savings can normally be channeled into other needed activities at the local level. When local groups have control over funds, they are more likely to consider them their own and use them wisely and responsibly.

Fifth, there is the critically important issue of implementation. It is easy to formulate elegant policies and plans, but implementation is much more problematic. If local groups have actively and genuinely participated in decision-making, they are more likely to be enthusiastic in implementing government programmes since they have had a direct role in setting priorities and choosing projects.

A sixth argument focuses on the need to build capacity for governance at the local level. Democracy and popular participation are often only abstractions unless individuals at the local level are involved in meaningful decision-making. Related to this argument is another, focusing on the educational impact of decentralizing authority. The process of decision-making can involve significant learning, and as David Korten aptly points out, it is important to learn from failure. Thus, even in cases where local decision-making may be less than optimal, important capacity-building results.

The next argument concerns specifically the economic effects of decentralization. A major problem in most developing countries is the concentration of economic resources at the centre. In Thailand, for example, Bangkok, which is 46 times larger than the next biggest city, accounts for 29 per cent of the GDP, which is more than twice that of the whole Northeastern region. With decentralization, the hope is to transfer economic resources from the centre to the periphery. It is assumed that local citizens will decide to spend development funds in their own localities.

The final argument concerns what Hayek calls "pretense of knowledge." "Knights in air-conditioned offices" living in capital cities do not necessarily know what is best for those in remote rural areas. In fact, such technocrats may ignore the highly significant indigenous technical and ordinary knowledge of villagers. Rural people themselves are in the best position to judge what is needed most critically in their own localities.

Though these arguments for decentralization may appear rather
convincing and persuasive, there are, nevertheless, still frequently objections to delegating more authority to local areas. A first concern relates to national unity and integration. Many Third World countries have populations which are ethnically and culturally heterogeneous. In numerous cases separatist movements exist. Thus, many governments are understandably concerned that decentralization of authority may threaten national identity and security.

A second concern relates to the competence of local people in making decisions. There is an anxiety that funds will be used in extravagant or non-essential ways. For example, one central official in Thailand expressed to me fear that decentralized educational funds might be used for fancy flagpoles and luxurious fences rather than learning materials to improve achievement.

A third issue concerns corruption. With decentralization, the span of control becomes extensive. It is difficult to monitor hundreds of sub-districts and groups of villages. Given the poverty in many remote rural areas, the temptation of corruption must be considerable. In societies where corruption is common at the top, local level individuals may argue that they too should have their share of irregular financial benefits which normally accrue only at the centre.

A final concern relates to the traditional conservatism of many villagers and village leaders. There is fear that they may not be concerned with issues such as social justice, and that their decisions will serve to reinforce existing rural stratification and inequities.

Brief Description of the Thai Programme of Decentralization

The Thai program of decentralization was initially referred to as Ngoen Pan ("Pass the Money"), or the Tambol Development Programme. The Tambol is a Thai geographic unit referring to a small group of villages. A number of tambols constitute a district. Most provinces have from 10-20 districts.

The Tambol Development Programme was initiated in 1975 by the government of Kukrit Pramoj. In fact, villagers still call certain projects by the name of the former Prime Minister. There are Kukrit bridges, ponds, wells, roads, etc. Under the current Prem government, the programme is called "Rural Job Creation Project".

In its first year, 1975, 2,500 million baht (approximately 20 baht = $1 at that time) were transferred to local areas. In 1976, the fund was increased to 3,500 million baht, and is currently at that annual level. The Tambol Council was the key body in deciding which projects should be undertaken. The Council, designed as an intermediate institution between the district and
villagers, is comprised primarily of elected representatives from each village in the tambol. There was a strong emphasis on labor-intensive projects which would provide income to villagers during the dry season.

Programme Outcomes

The programme will be evaluated both qualitatively and quantitatively using a number of social science perspectives. Politically, the programme was an outstanding success. Thailand's Social Action Party (SAP), which established the programme, has been particularly popular in Thailand's rural areas ever since. SAP controls the largest number of seats in Thailand's current Parliament, and is remembered positively for having initiated the decentralized rural development programme. With respect to political effects, the symbolic aspect of the programme was highly significant. The programme reflected a serious concern for villagers who too often have been neglected or ignored by central governments.

Consideration should also be given to the issue of how the programme affected the local decision-making process. Based on survey data collected by Tasnee, it appears clear that the programme has dramatically increased villagers' involvement in the selection of local development projects. Prior to the Tambol programme, district officials dominated the decision-making process. Their roles in project selection diminished markedly as a result of this programme.

The programme also strengthened the institution of the Tambol Council itself. Prior to the deconcentration of funds through the Tambol programme, the Tambol Council had no real power and primarily conveyed information top-down from the bureaucracy to the peasants. Given significant rural development funds to allocate, the Tambol Council became a meaningful and important local political institution.

With respect to potential "negative" political effects, it must be admitted that the programme has dramatically raised villagers' consciousness and expectations. It will be difficult for any future government to rely on the voluntary labour of villagers to implement various development projects. Thus, a Korean Samael Undong type development programme would be almost impossible to implement in Thailand, since it relies on the voluntary labour of villagers. Thai villagers now have a clear expectation of receiving cash for work on local level development projects. Though many would argue that this new consciousness and expectations on the part of villagers is a positive political development, it nevertheless does reduce the government's future flexibility in experimenting with alternative approaches to rural development.

There are a number of alternative ways of analyzing the economic
effects of the programme. From an overall macro point of view, it is clear that the programme resulted in a significant transfer of funds from the centre to the periphery. Also it dramatically increased rural employment during the dry season. The majority of villagers appear to have gained short-term paid employment as a result of the programme.24

Though based on a sample of only four tambol, Tasnee provides detailed data on the micro economic impact of the programme.25 Her analyses look at both multiplier effects and the extent to which impact is concentrated in the tambol themselves or “trickle up” to nearby urban communities. In half of the tambols she analyzes, the “trickle up” effects are roughly double the size of direct local impact, supporting Somphop’s contention that the programme ultimately benefits local businessmen and merchants who turn the cash incomes from the development projects into their own profits.26 Though labour costs are a large part of the programme, various materials must also be purchased from local industries and suppliers.

Another related issue is the extent to which proposed projects were actually completed. Though not all were finished, for the most part planned projects ultimately were implemented.27 With respect to the costs of such projects, it appears that they were higher than previously had been the case.28 This is, however, understandable, since prior to the programme, villagers normally received no direct cash payment for work on development projects. The higher costs of projects under this programme may also reflect leakages such as corruption.

With respect to outcomes, there is also the issue of the quality of projects. From the perspective of relevance and appropriateness, projects appear to have been well chosen. Understandably villagers are the best judge of their own needs. In my own visits to numerous tambol projects, I have been impressed with the nature of projects selected.29 A key question, however, is maintenance of projects in the longer run. Since villagers were directly involved in project selections, attitudes toward maintenance are more favorable than if projects had been imposed from above. Also frequently top-down projects fail because they conflict with important local customs or values. Villagers are likely to be sensitive to such concerns and unlikely to support such projects from the very beginning. Also, since there is now a regular annual tambol development programme, funds are potentially available to maintain projects of previous years.

Though the direct economic impact in terms of redistribution of income is a major outcome of the programme its educational impact has also been highly significant. Local capacity for decision-making and plan-
ning has been enhanced. Villagers' sense of efficacy has grown as they have experienced and seen the direct results of their own developmental efforts. The programme has given them more opportunity to take charge of their own lives and conditions.

Apart from possible inefficiencies and leakages described above, two major criticisms of the decentralization programme exist. The first related to the decision to allocate the local development funds equally among sub-districts. This represented a classic example of a failure to distinguish equity from equality. The Thai government has been responsive to this criticism and has now classified sub-districts into various categories, and allocates funds in accord with their relative needs. Thus, this basic weakness in the programme has been corrected.

A second criticism raised by the research of Tasnee Suthinark is much more complex. Tasnee argues that the tambol programme has had a significant negative effect on the social harmony of Thai villages. In her view, it has led to conflict regarding project selection. There has been intense political competition as individuals vie to become part of the now important Tambol Council. Individuals also compete to be employed in the various projects. Tasnee sees these effects resulting in increased group fragmentation and social disintegration.

Concluding Remarks

Joel Migdal describes the "triumph of outward-oriented forces," as villages become interrelated with national and even international economic systems. In the aftermath of the Thai student revolution of 1973, the number of inward-oriented villages certainly declined. Farm leaders increasingly began to articulate needs and demands to external institutions. The tambol decentralization programme was an attempt by the national government to become more responsive to local needs and conditions.

As shown above, the impact of the Thai decentralization programme has been mixed, though both critics and proponents agree that the new policy has permanently and significantly altered government-village relations in Thailand. After a programme of this type, it is difficult to revert to the traditional way of doing things. Peasant expectations and consciousness have both been raised significantly.

In discussing programme evaluation, Gowin and Millman argue that authority and power derive from continual experiment and trial at the local level where people who make decisions and take actions are also responsible for understanding the social consequence of such decisions and action. Through the tambol programme, the government has shown confidence in local people and an appreciation of the importance of process and
experimentation. Though systematic evaluative research has not yet been done, I would hypothesize that it would show that much human capacity has been built through this programme. It is likely that its indirect educational impact may well be greater than an equivalent investment in formal schooling in rural areas. In contemporary economics, there is frequently the dichotomy of equity versus efficiency. Fortunately, the Tambol Council Programme went beyond such a conventional trade-off and has contributed significantly to both greater economic equity and enhanced administrative efficiency in Thailand.

NOTES


25. Suthinark, pp. 63-76.


27. Suthinark, p. 59.


29. J. Swift reports similar impressions. (n. 22 above).


32. Suthinark, pp. 76-77.
