

## Local Government in Thailand and Decentralization after the 2014 Military Coup

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### **Abstract**

The objectives of this article are 1) to study the decentralization and local government situation in Thailand after the coup d'état in 2014 and 2) to investigate the direction of decentralization under the Constitution of the Kingdom of Thailand B.E. 2560 (2017). Document analysis was used for data collection. It was found that Thailand's local government system has been developing for over a century. It was evident that most of the administrative system was based mainly on the central government with most of the local administrators being appointed by the central government. In 1997, there was major reform under the Constitution of the Kingdom of Thailand B.E. 2540 (1997). This reform can be considered as progress for local government in Thailand as decentralization for local administration was clearly specified in the Constitution. In the Constitution of the Kingdom of Thailand B.E. 2550 (2007), the essential parts of decentralization were not changed and some aspects were added. However, with this attempt to decentralize local government, there were still many obstacles that deterred and delayed the development process. Moreover, the political changes in 2014 caused the drawback of power to more centralization, as can be seen from the pattern of the issuing of orders, appointments, suspensions and inhibitions of local government operations including the removal of local administrators. When considering the contents of the 2017 Constitution from the database and observations of documentation presented by experts, it was revealed that many chapters in the 2017 Constitution were unclear concerning decentralization. And on consideration of the National Reform Plan of the National Reform Steering Assembly in reference to local government, it was found that, although there was progress on various issues, certain other issues still did not show a firm direction towards strong decentralization of local government.

**Keywords:** Decentralization, local government, reform, coup d'état 2014, the Constitution of the Kingdom of Thailand B.E. 2560 (2017)

## Introduction

The government's centralization system in Thailand cannot thoroughly develop local communities judging from the social situation and other dimensions of each locality; the differences relate to geography, way of life, beliefs, values and traditions as well as the problems and needs of the local population. Furthermore, the current trends of globalization and changes in the economy, society, politics, science and technology have rapidly developed. These aspects make the social situation more complex for administration and make it impossible for the central government to manage and solve problems or respond to the needs of people promptly, quickly, thoroughly and efficiently in every locality. Though the government is the major mechanism for governance and the happiness and well-being of people, limitations in delivery of the system are caused by such things as the issue of regulations, budget approval, limited staff and a lack of understanding of the local situation and subsequent delay in the management of the whole system.

These issues lead to various arguments about the approach to reduce the workload of the central government, which has extensive and various responsibilities, so that it handles only the main and necessary tasks. However, one of these tasks is the governance reform that gives people the opportunity to participate in their own local administration. This is an important and necessary issue in the current complex situation of society with the assumption that "No one knows an area as well as the people in that area". This viewpoint leads to the concept of local governance and decentralization.

Local governance is an important process for encouraging people since it is known that local governance is like a school for people to learn about democracy (Kongritsuksakorn, 2010). The process provides an opportunity for people to participate both directly and indirectly. For example, people can join in the thinking, planning, execution and follow-up, as well as the improvement of a development plan. The people can express their own and their community's needs. They can exercise their right by voting for suitable people to be the local administrators. Moreover, local governance also makes people feel that they are stakeholders in local development. The people feel a sense of ownership and are ready to preserve the resources or benefits for the local community which in turn leads to a belief in democracy.

Although there are some local governances established to respond to the needs of people in the local community, it is evident that the authority for management is still retained in the central government. The power has never been transferred to local governments. Local administrations have no power in making decisions or determining the direction or management of their own resources that should be the practice with decentralization. This results in the local people having no independence for their own management which is a major obstacle for the development of local administration. Therefore, transferring only authority to the local government is not truly decentralization. Decentralization is one of the tools to achieve local development and public services to meet all the people's needs. However, decentralization is not limited only to the transfer of authority; the government should also pay attention to how the goal of public service can be achieved. In order for local organizations to carry out their responsibilities efficiently, the central government needs to transfer political management, resource management, personnel management, budget management, and appropriate technology management to the localities, which are the administrative organizations closest to the people and who have power to manage public services corresponding to the community's needs.

The concept of Thailand's local governance has been applied and continuously developed since the era of King Rama V. During the first period of the implementation, the authority for making decisions and determining policy came from the central power in

Thailand which also appointed the local administrators, so that there was no characteristic of decentralization under the concept of democracy. Later, the concept of decentralization was widely discussed until the issues were finally determined in the Constitution of the Kingdom of Thailand B.E. 2540 (1997) (the 1997 Constitution) and later the Determining Plans and Process of Decentralization to Local Government Organization Act B.E. 2542 (1999) was enacted. It can be pointed out that this act demonstrated the progress and change in local governance in Thailand with the clear determination of decentralization in the 1997 Constitution (Lertpaitoon, 2007). In addition, this act also increased the power to local government, giving local authorities more independence in terms of budget, personnel, tax collection and provision of public services, and encouraged elections of all local administrators and councillors. When the Constitution of the Kingdom of Thailand B.E. 2550 (2007) (the 2007 Constitution) was passed, the issue of decentralization was no different from the previous situation in terms of the extension of the authority of local government to have clearer and more extensive roles. Local authority had more independence and responsibility for governance, developing the system of operation and internal control. People in the community were provided with more opportunity to participate in management along with the local government.

Even though there have been attempts to decentralize to local administrative organizations and public awareness of self-government is promoted, still there are some limitations and obstacles from both internal problems of local government and external problems, especially the central government. This is because the central government still has not truly transferred power to the local governments, hence the processes of decentralization are driven slowly with no continuity or the expected success. Besides, the political crisis in 2014 with the subsequent military coup d'état caused the democratic process to stop and the administrative style to become more centralized. The central government has the authority to order, suspend and inhibit local activities. Furthermore, consideration of many sections of the Constitution of the Kingdom of Thailand B.E. 2560 (2017) (the 2017 Constitution) shows that the question of decentralization is unclear because the government has focused on its security policy, transferring authority and independence, and decentralizing the authority of management.

In this article, the author will focus on the evolution of local government in Thailand and its decentralization from the past to the present by considering the direction of its development, the progress or regression of governance, and the obstacles that block the decentralization driving process; it includes analysis of the direction of decentralization reform and local governance under the government led by Gen. Prayut Chan-o-cha and the 2017 Constitution which is the major blueprint for the country's reform of government together with the National Reform Steering Assembly.

This article aims to 1) study the decentralization and local government situation in Thailand after the coup d'état in 2014, and 2) investigate the direction of decentralization under the Constitution of the Kingdom of Thailand B.E. 2560 (2017).

This article is based on document analysis. The data were obtained from various sources i.e. news publications, books, periodicals, official documents, related laws, and electronic media. The selection of the documents was based on the following specific criteria: 1) the real original documents and 2) their correctness and the reliability. The triangulation check was employed by studying the information from the same type or the same content from various sources of information and then comparing for the accuracy and the parallel information. The obtained information was analyzed by content analysis and the interpretive approach.

### **Local governance of Thailand and decentralization before the coup d'état in 2014**

The local governance of Thailand has been evolving for over a century, since first appearing in 1897 in the reign of King Chulalongkorn (Rama V) who realized the need to reform the country and modernize the system to match the West. His scheme included the establishment of the sanitation division in Bangkok under local governance, and this was the initiation of local government (Lertpaitoon, 2007).

In 1905, the Local Sanitation Division Act Ratthanakosinsok 127 set up sanitary units in many districts around the country. The sanitation was divided into 2 types: city sanitation to be established in the areas of cities or developed localities, and district sanitation to be located in the rural districts. Until the reign of King Rama VII, the king appointed the Board of Public Sanitation, a committee to study foreign local government. This committee foresaw that municipalities should be established and proposed their plan to the king. Although the king thought that people should practice the control of local business and learn about democracy for themselves, a law still was not enacted.

After the country changed from an absolute monarchy to a democracy, the concept of decentralization received more attention. In 1933, the improvement of the administrative structure was created under the Government Administration Act, B.E. 2476 (1933) that determined local government agencies and established the municipalities. Then, the Municipal Act, B.E. 2476 (1933) was enacted, so that municipalities became the first local government agencies in Thailand according to the principle of decentralization (Lertpaitoon, 2007). The municipalities could be divided into 3 levels: (1) the subdistrict municipality, (2) town municipality, and (3) city municipality. All levels of sanitation became the responsibility of the municipalities. After that, there were no additional municipalities because they had limited roles and authority, and people lacked knowledge and understanding about local governance.

There followed a period of laying the reform and foundation of local government. Four forms of local agencies were established. These were the sanitary organization, municipality organization, provincial administrative organization (PAO), and tambon administrative organization (TAO). In the early period, the local sanitary organization's patterns were re-introduced. When the sanitary organization was well-developed to meet the specified criteria, it would be promoted to a municipality. It was anticipated that this promotion would be a catalyst for local development. In 1955, the Provincial Administration Organization Act B.E. 2498 (1955) was passed for the administration of municipality and sanitary organizations, and in 1956 the Tambon Administrative Organisations Act, B.E. 2499 (1956) was enacted. The act specified the work units of sub-districts as cooperating agencies. These agencies managed their own expenses independently. Although, the government had laid the foundation for local organizations aimed to make people participate in local administration, it was found that the central government still designated the officers from central government who would govern the local organizations. After the end of Field Marshal Plaek Pibulsongkram's government in 1957, the TAOs were dissolved and replaced by district council committees, but these were still controlled by government officials or the central government (Kongritsuksakorn, 2010).

Even though there was continuous development in local organization in Thailand, population growth, the rapid growth and complexities of cities and the arrival of foreign tourists were all factors that caused some difficulty in management for both central government and local government. Although some areas would have local governance to share some duties of government, the authority and duties were limited and the potential of local areas was not enough to make or manage public services efficiently. So, special

agencies with authority and responsibilities were required in order to thoroughly and quickly provide services to meet the needs of the people.

Incidentally, in 1973 there was a major political transition; democracy was in full blossom and the people were demanding the opportunity to fully participate in political activities. The concept of decentralization was raised again and the government passed the National Government Organization Act, B.E. 2518 (1975) the main theme of which was to set up the Bangkok metropolitan area as a local government. The duties of this particular local government included being a municipality, sanitation organization, and PAO, and it was entitled to manage as a special municipality. This special administrative organization had duties and authority determined to be part of the regional offices, i.e. the districts and provinces. In this case, the administrators and councillors came directly from elections, whereas in the past they were appointed by the central government. Moreover, Pattaya city was established to be the second special local government authority in accordance with the Pattaya City Administration Act B.E. 2521 (1978) to support the expansion of the city and its development as a tourist attraction.

The trend of decentralization increased until 1992, and the concept of decentralization was taken into account in the election campaigns of many political parties. In addition, there was also the proposal for the direct election of provincial governors but this idea created wide criticism in society. So, this period was considered to be the time that Thai society was actively involved in local government policy. Although the issue of direct election of provincial governors did not materialize, there was a revision in the regulations of PAOs which changed the position of the provincial governor from automatically being the chairman of the PAO; the chairman came from the election of provincial councillors (Wongsurawat, 2010).

The promulgation of the 1997 Constitution was a major reform of Thailand that set out the overall reform of local government and the most obvious decentralization in the country's history. This 1997 Constitution paid special attention to decentralization, e.g. independence of policy determination, governing, personnel management, financial management and fiscal management with governance supervised by government agencies as necessary. Local people were also granted the right to nominate and remove local administrators and amend local regulations. Furthermore, the government also established the machinery for driving decentralization and passed laws to escalate the plan and process. This machinery also pushed and proposed the legal amendments to local governance to be in compliance with the provisions of the 1997 Constitution and quickly made progress in decentralization, e.g. raising the sanitation organization to be a municipality. The expansion of TAOs increased, restructuring of the local administrative organizations with councils coming from elections and the local administrators from direct elections or the approval of the local councils. Moreover, there was also a measure of revenue allocation for the local administrations according to criteria prescribed by law, including the preparation of administrative transfer to the local administrations of, especially, education and public health functions (Lertpaitoon, 2007).

However, during the period of government led by Thaksin Shinawatra, the direction of decentralization seemed to go in another direction. One approach, which reflected Thaksin's business background, was by having the provincial administration managed in the style of a chief executive officer with the provincial governor acting in this role. In this case, the governor had the maximum authority to make decisions and took a role as an assistant of the prime minister to drive public services; this approach led to wide criticism and discussion of the pros and cons. In addition, the government also operated a number of functions that blocked decentralization, e.g. delaying the transfer of personnel to local organizations, bureaucratic reform by establishing departments in central government focusing on

the management of large public sector projects, and adjusting the ratio of local governments' income to be not less than 25% of the net income of the central government. It was observed that not only did the government not have a policy to promote decentralization, but the government sector and its group of officials also showed a strong movement of anti-decentralization by claiming that local administrations were not ready to manage the work necessary under the transfer of various tasks such as carrying out organization and personnel; this was especially the case with teachers who did not accept the policy of transferring educational institutes to local administrations. There was also a request for an evaluation of the readiness of local administrative organizations, and it can be said that this was a stage of stalling decentralization (Wongsurawat, 2010).

The 1997 Constitution would be a major blueprint for the country's reform, especially the issue of decentralization that showed signs of progress. But there were many obstacles, both with the insincerity of central government in promoting decentralization or even in the contents of the 1997 Constitution itself, e.g. in spite of determining what local governance could or could not do, there was no determination as to how to achieve it and no clear definition between government and local administration relating to policies such as governance schemes, support, verification, follow-up and evaluation. Furthermore, many kinds of transfer of authority were not in compliance with the practice, so there was no progress in decentralization (Waranyuwattana, 2016).

The political scene changed again in 2006. Following volatility in national politics, a coup d'état ousted Thaksin. The 1997 Constitution was abrogated and replaced by the 2007 Constitution.

The 2007 Constitution did not lessen the essence of local administration; in fact, the role of local government organizations was expanded into a clearer and broader role by determining the proper relationship between local administration and the central government. This time, local administrations would have independence in their own authorities, with clear governance of local administration, promotion of the public-sector role to have more participation, and support for local administration with transparency and integrity. However, Thailand then entered a period of political crisis with severe and long national conflict. This caused instability in the government with frequent political changes, and decentralization was disrupted. Though the government expressed its efforts to push the policy towards decentralization to local government, the policy was still unclear, especially the issue of the income of local government. The central government did not allocate 35% of income to the local government as promised, instead it provided 25%. In addition, the government had not yet transferred the responsibility for providing some public services that could be done locally and, in those instances where responsibility was transferred and required a large budget, it allocated only a small budget. The government considered that the local governments were not capable enough, but this was not an excuse for centralization because it was the duty of central government to take care of the development of localities (Krueathep *et al.*, 2014). Furthermore, although the decentralization policy led to self-management of local government, the problem of a lack of clarity in the authority of governance, especially with the conflict between independence and the intervention of regular monitoring, was an obstacle to local administration's management. There was also incompatibility between the regulations and the situation that existed. Many local policies were questioned by the Office of the Auditor General (OAG) as to whether they were appropriate, so local governments could not fully administer their work because they were afraid of committing offences and legal prosecutions. Even though the 2007 Constitution was a driving force for decentralization and had the backing of the people on the issue of decentralization reform, autonomy, and self-management for some provinces, national politics seemed to block this development process.

It can be seen that the previous sequences of the decentralization process had obviously made progress, but it was quite slow and took a long time because of the many obstacles to local administration both internally and externally, especially the problem of national political conflict that affected the drive of the decentralization policy. It had been anticipated that when the decentralization policy could be developed quickly, it could be used as a baseline for strong and solid democracy after the promulgations of the 1997 and the 2007 Constitutions. The issues of national reform mostly focused on national politics so the issue of local reform did not receive enough attention. When there was a political crisis in 2014, the National Council for Peace and Order (NCPO) decided to take control of the country by coup d'état. Thus, the 2007 Constitution was abrogated and replaced with the Constitution of the Kingdom of Thailand (interim), B.E. 2557 (2014) (the 2014 Constitution). Based on its contents focusing on the country's reform and a referendum in August 2016, the majority of the people voted to accept the Constitution of the Kingdom of Thailand B.E. 2560 (2017) (the 2017 Constitution). This was again a major blueprint for national reform of government that clearly indicated the direction of local government.

### **Reform of local government and decentralization under the policy of the central government and the 2014 Constitution after the coup d'état in 2014**

Since the coup d'état of the NCPO on 22<sup>nd</sup> May 2014, it cannot be denied that power has returned to the central government again; if we look into the past, this may be the normal case in Thailand when a coup d'état has occurred with the excuses that it has been done to lead to peace and order, bring stability to the central government, and provide unity and security for governance and management. In this way, justification is made for the authority of command or order to be with the central government which issues the regulations, commands, laws and other public policies. This most recent coup d'état resulted in the cancellation of the 2007 Constitution and its replacement with the 2014 Constitution. The new constitution which contained only 48 sections mostly concentrated on the country's reform and decentralization. However, 27 sections dealt with the reform council that had to be established to provide information and suggestions leading to reform. There were 10 main sections dealing with other issues of which only one was related to local government and that had no additional explanation. So, under the military government, the importance of decentralization was ignored and the drive for the development of decentralization was halted.

When considering the direction of local government after the coup d'état in 2014, it should be noted that the central government had complete control of local government through the leader of the NCPO using his absolute authority under section 44 of the 2014 Constitution. Furthermore, the government also relied on section 27 to appoint the National Reform Council to research and provide suggestions on each issue of government in proceeding with reform and section 39/2 of the Constitution Amendment (No. 1) to appoint the National Reform Steering Assembly (NRSA) to study and reform all 11 parts, instead of the old National Reform Council which was terminated by section 39/1. In addition, the Constitution Drafting Commission was set up to draft a new constitution, which would become the 2017 Constitution that the majority of people voted for and would be the major blueprint to lead to national reform. The author will explain the reform under the policies of the government and the new constitution. The article will be divided into 3 parts: the first part is an explanation of the authority according to the 2014 Constitution to reform the country, the second part is the essence of the 2017 Constitution and the last part is the reform of the country in compliance with the 2017 Constitution; all 3 parts focus on an explanation of local government reform and decentralization.

### **1. The use of the 2014 Constitution concerning the appointment, suspension and inhibition or other actions related to local activities or operations.**

According to section 44 of the 2014 Constitution, the chief of the NCPO has the authority to issue the necessary commands, in compliance with the laws and the 2014 Constitution, to suspend, inhibit or act on any activities with his commands being legally binding on management or the judiciary. It shows that the chief of the NCPO is authorized to exercise his power widely. This can be seen from the issue of many commands or announcements related to local activities after the coup d'état in 2014 from the central government. Local activities were terminated with the reason that it would make the reform of the country go smoothly; the NCPO's order no.85/2557 temporarily suspended every election of local government until the commands were changed or the 2014 Constitution was replaced by a new constitution. However, this order did not apply to Bangkok and Pattaya under order no. 1/2557. For other local governments, order no.22/2559 stated that if the local administrations' or local councils' terms had ended, they were able to continue in their positions until new local elections had taken place. In the case of the executives' or local councils' positions having become vacant or expired, the deputy chief of an administrative organization must be in charge of local administration and be able to appoint suitable people to be the local administrators in certain situations, e.g. order no.6/2560 to establish the president of Pattaya city.

In addition to using the authority to issue orders or announcements for local administrators and councilors, the government also had the power under section 44 to issue a command to temporarily suspend local administrators, local councilors and local government officials from performing bureaucratic actions, to move to another bureaucracy in an assigned position or to be discharged from duty. In the case of local councilors or administrators, if they are found to be corrupt in their duties or cause damage in government service or, not being in government service, in continuing their normal work, the chief of the NCPO has the power to order them to vacate their positions even though the result of an investigation has not obviously concluded that there is misconduct, e.g. order no. 64/2559 to command the governor of Bangkok to vacate his position. According to statistics, of the total number of orders by the NCPO, it was found that over 200 local administrators, local councilors and local government officials had been subjects of those orders.

Referring to the examples above, it can be seen that the central government has more authority and could directly access some duties in regional offices and that these orders are legitimate and give more authority to the central government.

### **2. The essence of the 2017 Constitution relating to local government and decentralization**

The 2017 Constitution is the major blueprint for national reform. However, it has been criticized and the contents of many sections have caused controversy. This constitution abolished the power of the people, especially in the category of local governance, and it is unclear when it is compared with the contents on local governance in the 1997 Constitution which was the first one that obviously prescribed decentralization. The content of the 2017 Constitution has changes, especially the principles of self-government for which the 1997 Constitution in section 282 and the 2007 Constitution in paragraph 1 of section 281 specified that "...*The government must provide local autonomy based on the principle of self-governance, in accordance with the intent of the local people...*", whereas the 2017 Constitution in section 249 merely specifies that "...*the local administration is governed by the principle of self-government, according to the intent of the local people...*"; the words "*must provide local autonomy to localities*" have been removed, so many parties are



concerned that the 2017 Constitution may cause a drawback from decentralization. Moreover, some other contents have been changed, and they can be compared in 4 key areas as follows:

*Authority of local government*

Providing for the independence of management is one key issue of decentralization’s principles in terms of authority, decision, resource, personnel, budget and others factors which are essential for building capabilities and making localities work independently and quickly. The 1997 Constitution in paragraph 1 of section 284 clearly determined the independence by specifying the policy, government, management, personnel management, financial management and fiscal management of local administrations. In the 2007 Constitution in paragraph 1 of section 283, additional content was prescribed concerning the power of public service to localities from the 1997 Constitution, which reflects that it fully and clearly placed great emphasis on local independence for self-governance, but the 2017 Constitution in paragraph 1 of section 250 shows only that local governments have the duty and authority to take care of and manage public services and events. As for the issue of independence, it is legislated in other laws.

*Recruitment of local administrators and councilors*

For the recruitment of local administrators and councilors, in general both in regular and special formats, the 1997 Constitution and the 2007 Constitution specified that the administration must directly come from election by the people or nomination by local councils. In part of the 2017 Constitution, it is specified that the local administrators and councilors must come from election or by consent by local councils. In this case, the phrase “*directly nominated by people*” has been removed. As for the special local organizations, these positions can come from other methods.

*Terms for position of the executive and the local council*

In the 1997 Constitution and the 2007 Constitution, it was clearly stated that the terms for the position of the executive and the local council were 4 years. But the 2017 Constitution does not state the term of the positions.

*The participation of people*

The 1997 Constitution gave the opportunity for people to participate by ballot in order to remove local administrators and councillors. The 2007 Constitution had additional content about the participation of people by referendum like the two previous constitutions in terms of withdrawal and nomination. But the content related to referendum has been removed by the 2017 Constitution.

**Table 1** Comparison relating to the contents for local government in the 1997 Constitution, 2007 Constitution and 2017 Constitution

<b>Content</b>	<b>1997 Constitution</b>	<b>2007 Constitution</b>	<b>2017 Constitution</b>
Authority of local administration	Independence to determine the policy, government, management, personnel management, financial management and fiscal management.	Independence to determine the policy, government, management, personnel management, public service management, financial management and fiscal management.	Have duty and authority to take care of and manage public services and events (But the independence is prescribed in other laws).

**Table 1** Comparison relating to the contents for local government in the 1997 Constitution, 2007 Constitution and 2017 Constitution (Cont.)

Content	1997 Constitution	2007 Constitution	2017 Constitution
Recruitment process of the local administrators and councilors in general and special formats	Administrators and councilors come from election	Administrators and councilors come from election	Administrators come from election, but the special local administrative reform comes from other methods. The councilors come from election
Term of position of the executive and the local council	4 years	4 years	No determination in the constitution
The participation of people	Removal and proposing law	Removal and proposing law and referendum	Removal and proposing law

It can be seen that the 2017 Constitution has not concentrated on the contents of decentralization, especially the independence of local governments that is a key to the principle of developing local government in Thailand; it only broadly determines the direction. The details are prescribed in organic laws instead, and this issue will be subject to consideration of the local government reform plan by the NRSA as to how to determine the direction of local government and decentralization in the future.

### **3. How to reform local government and decentralization by the National Reform Steering Assembly (NRSA)**

The 2014 Constitution, in section 39/2, prescribed the NRSA instead of the National Reform Council, so a subcommittee was set up in part of the NRSA and is the steering committee for local government reform. The committee has to work on the previous reports and conduct hearings with multiple sections of society. The information is analyzed and summarized for construction of the reform plan. However, this approach must be in line with the 2017 Constitution. When considering the local government reform plan constructed by the NRSA, it is found that the local government reform is divided into 2 types: (1) the regular local government reform and, (2) special local administrative reform (The Secretariat of the House of Representatives, 2017). The details are as follows:

The regular local government reform is divided into 5 parts:

1) Structure and authority of general local government organizations' reform: the key issues are about the determination of the structure of general local government organizations and the structure has 2 levels: the top level comprises the PAO and the lower level comprises the municipality. These regular local governments have functions in merging the municipality and TAO together, determining the entry and withdrawal to/from the positions of local administrators and local councillors, adjustment of the authority of local government organizations for both the top and lower levels, and determining and increasing the efficiency

of the finance and budget of local government organizations by using the process and suggestions taken from a study for preparing the Code of Local Government Organizations and Code of Local Government for Acts of Legislation.

2) Decentralization reform: the key issues are the transfer between the central administrators, regional administrators and local administrators, specification of public service standards, and the acceleration of transfers. The guidelines for the process and suggestions from this study are used for preparing the enactment of laws to promote the decentralization to the local government organizations.

3) Personnel management reform: the key issues are the governance reform, investigation, and public participation reform about restructuring local government organizations to become only one organization from the Local Government Committee. The establishment of the Local Personal Moral Conservation Committee, for which the authority and relationship between the administrator and the deputy chief of the local administrative organization, the determination of the local administrative process under the law, and the determination of the length of term for the positions are the stated responsibilities.

4) Reform relating to monitoring and investigation is contained in an annex of concerned law under the Provincial Administrative Organization Act, Municipalities Act, Tambon Councils and Tambon Administrative Organizations Act, or may be determined in the Code of Local Government Organization. All the Acts may be issued and have added in them issues relating to participation, laws relating to voting for the removal of local councillors or local administrators and the submission of a petition for introducing a local ordinance.

5) Reform of public participation in local government is by enacting or editing laws and considering whether they are appropriate for the benefit of the people; also, by developing the budget system with participation by the people and having a monitoring system to evaluate the public's participation.

The reform for special local organizations can be divided into 3 parts:

1) Reform of Bangkok, for which there are 2 major issues: the first issue is increasing efficiency of service by preparing a strategic plan for solving the problems of the capital and surrounding areas, the adjustment of authority, subsidy allocation for city development, and adjusting the method of public service. The second issue is the adjustment of administrative efficiency by specifying the rules for the administrative authority and the council. The specification aims to guarantee the decentralization to district offices and improvement of the personnel management system.

2) Reform of Pattaya city, for which the process is in line with the reform of the Bangkok metropolitan area with 2 key issues: the first issue is adjustment to increase the efficiency of service by preparing a strategic plan for solving the problems in Pattaya city and surrounding areas, the adjustment of authority, subsidy allocation for city development, and determining a flexible budget system. The second issue is the adjustment of administrative efficiency by reviewing the management structure of Pattaya city in order to be a special local organization. The laws relating to income and authority for all management within the area are to be amended as well as the enactment of laws relating to personnel management.

3) Reform of special local administration: this issue focuses on a study to set up the appropriate areas in order to establish special local government organizations in the future. The purpose of the study is to specify the format, structure, authority, type, income, personnel management system, governance approach and promotion of the public's participation in the special local government organizations as appropriate in each area.

The study also proposes the enactment of related laws and adjusting the establishment of special local government organization laws appropriate to the current situation.

Considering the reform of both the regular and special local administrative organizations, it can be concluded that many issues have progressed, especially the issue relating to the reform of the structure and authority of regular local government organizations that has been approved in a meeting of the NRSA. In terms of finance, fiscal policy and local budget, the laws will be amended to increase the new tax base and transfer the responsibility for tax collection and fees from the central government to local government organizations, e.g. updating the LED billboard tax, a land and building tax instead of the local development tax, and a house and building tax. The transfer will include tobacco and liquor licensing and an environmental tax on aspects that are harmful to health. These enactments will increase the income of local organizations. In the past, it was reported that not enough income was collected for local organization management even though they got subsidies every year from the central government because the budget was not fully allocated as required by law. So, transferring the responsibility of tax collection to the local government organizations is one important mechanism in the development of decentralization (Laovakul, 2012). In the case of taking, holding, or being discharged from the position as an administrator or local councillor who has been elected, there are additional qualifications and prohibitions, e.g. a person must have been born in the district or studied in a school located in the district or been working or performing duties in government agencies with a house registration in the district. These rules are applied on a case-by-case basis. This regulation makes the entry into local politics narrower and allows local people to take a role in managing and solving local problems. The thinking is that local people know best.

However, some of the processes have been highly criticized or debated, especially the issues of the two forms of structural changes: the PAO and the municipality by lifting the status of the TAO to be a municipality, whether on its own or by merging the TAO with other TAOs, or with a municipality. While the draft of the legislation for local government organizations in section 15 specifies that *“municipalities which have income excluding subsidies of less than twenty million baht or population that is less than 7,000 people can be merged with other municipalities which have a connecting area and are in the same district...”*, it shows that, if this becomes law, over 5,000 TAOs must be raised to the level of a municipality under the conditions for merging with other local government organizations.

So, if the legislation is followed, most of the stated policies will delay the decentralization of local organization. It is hoped that both the 2017 Constitution and the organic laws related to local government will ensure the direction of local government and decentralization in the future.

### **Progress of Thai local government and decentralization from the past to present and into the future**

When looking from the past to the present, it can be pointed out that the long and continuous evolution of decentralization has developed slowly, sometimes lagging behind or sometimes making more rapid progress. Past development took the social situation, economy and political aspects into consideration. The problems and obstacles were sometimes within the local government organizations and sometimes problems come from external factors in terms of the national political situation or a lack of seriousness by central government to transfer authority to local organizations or the central government's attempts to draw back power to itself.

Since the 1997 Constitution, one can see that there has been a lot of progress because the political situation in Thailand immediately afterwards was very democratic and there

were no severe conflicts which created a climate of cooperation in the reform of many sectors. The concept of decentralization to localities that has been clearly prescribed in the 2017 Constitution is different from the previous versions of the constitution with regard to administration, management, budget, personnel, and public participation as well as independence under the governance of other government sectors. In this case, it can be clearly seen that the change is that the administrators and local councillors must come from a direct election of people, but in practice these positions are appointed by the central government or are officials belonging to other agencies. Thus, local elections are the key to creating the relationship between administrators and local councillors who are elected by the people in order to make the people feel that they are involved and have a stake in local government. As to the responsibilities of the local government organizations, it appears that they are responsible for only cleanliness and building utilities and facilities. However, the Determining Plans and Process of Decentralization to Local Government Organization Act B.E. 2542 (1999) has defined that the local government organizations are responsible for preparing 6 public services which are; infrastructure, promotion of quality of life, organizing the community, promotion of society and peace, planning on investment, commerce and tourism, managing and conserving the natural resource and environment, and art, culture, tradition and local knowledge.

There is also the effort to promote fiscal decentralization to make local authorities able to manage their budgets and have their own income for use in local development. This legislation is different from the previous practice which specified that local organizations' budgets were allocated from the central government. The new legislation allows local organizations to resource, budget and collect taxes and fees in their localities. However, there are not many areas for which the local organizations are allowed to collect taxes, so they must still rely mainly on government revenues and subsidies, even though such allocations are not in accordance with the legislation. Although the 2017 Constitution allows the independence of other government sectors, there have been problems of distinguishing between independence and use of government intervention, especially the independence of budget use for public services some of which have the attention of the central government. Thus, local governments do not dare to initiate policies or change policies because they fear breaking the rules or being investigated by the OAG.

Public participation has been very progressive so far as people having the opportunity to participate when electing representatives for local administrations. This showed some progress in participating in the processes of thinking, planning, operating, monitoring, and following up. Under the 1997 Constitution, the people could collect the names and propose the removal of local administrators and councillors. Moreover, the 2007 Constitution prescribed an increase in the authority of people in a referendum, so that public participation not only made civil society stronger and provided a basic learning process of the democratic system, but also helped promote transparency in local government organizations.

When considering the current situation after the coup d'état in 2014, it was found that the direction of local government and decentralization has tended to be characterized by moving more authorities towards the center. The current political government status in Thailand lacks democracy, so most of the power is not directly attached to the people, especially public participation in elections for their local authorities. At present, there is a nationwide suspension of local elections. In the case of fraud or misconduct, suspects are suspended right away; their misconduct case is usually not finalized under the legal process for checking or monitoring the members of councils which were under public participation for investigation or removal. If it is found that a representative has conducted any illegal activities, the central government can now interfere in those procedures. It is said that this is to instigate local politicians' and officials' awareness of their honesty, but this action affects

the independence of local government organizations. Moreover, there are serious rules or regulations that are not in compliance with the principles or current situation; hence, local governments do not dare to make or initiate plans because they are afraid of their conduct being illegal. However, when considering the issue of authority exercised by the central government that affects local government organizations, it would be fair to explain that this action may only be temporary with no permanent impact on the structure of local government or its independence in certain fields. The central government has not completely dropped the issue of local government and decentralization, so it is necessary to consider the contents of the 2017 Constitution, and especially local administration under the NRSA.

The 2017 Constitution has no section that clearly determines to support decentralization and the independence of local authorities. Moreover, the issue of the recruitment of administrators of local government organizations, both regular local administrators and special local administrators, is different from previous constitutions. Section 252 only states that the local administrators must come from the election or approval of the local council. This means that the administrators do not need to come from election by the people directly; on the other hand, as they may come from election indirectly it may mean a return to the format of a council-appointed mayor to make the council stronger, or it may be possible to have a format of a city manager. This style of appointment will open the channel to let administrators come from appointment by the central government.

Consideration of the plan for local government reform of the NRSA shows that the reform of the structure and authority of the general local administrative organizations, especially the effort to push for local government organizations to have more power for the collection of taxes and other fees, is a good direction for decentralization and support for the organizations to have their own incomes rather than waiting for government subsidies. In addition, there is the new specification of a general local administrative organization that can come from only a PAO and a municipality. In this case, it is done by raising all TAOs to be district municipalities and, if some do not meet the conditions, they may be merged with nearby municipalities. Although this issue is not new in international practice, it has caused much debate about its implementation in Thailand. It can be seen that this merger approach can help strengthen local authorities and help them take care of themselves and provide services for the local population while creating enormous value in resource management for the government sector by reducing the budget for hiring a lot of local staff. It is evident that many local government organizations in Thailand are too small and that their budgets are not enough for their management and performance of their responsibilities. Although this policy may have a good result economically, it will distance people from local government, and the interaction between local politicians and the public may not be as close; also, the public services may be stretched because of the larger area. However, although the issue of local mergers will be specified in the reform plan to be used in the future, this is not the answer for decentralization; creating independence for localities free from interference by the centralized power should be the key point of this reform.

## **Summary**

Local government is considered to be one of the mechanisms that will promote democracy with people going through a learning process by participating in local management. Participation in self-governance, especially political participation with the right for people to elect their representatives as local administrators is a process that leads to the relationship between local administrators and the people. Local people can monitor their local administrative committees and be active citizens by forming into the groups for the benefit of the localities. Furthermore, having local governments can lighten the many existing burdens

of central government. Local governments in many countries give great value because they can act quickly and efficiently based on the local people's needs.

The concept of decentralization is a universal practice. But in Thailand, its limitation seems to rest on the issue of an imbalance in the transfer of work from the central government and the limitation of the allocation of budget and resources which may lead to problems in local organization management.

Under the reform plan of the NRSA, the situation shows some progress in solving the problems. But there are some concerns with the contents of the 2017 Constitution which is too broad and may lead to a problem of interpretations. When reform for local administration is proposed, some laws will need to be revised concerning certain issues such as financial, fiscal and budget management. The laws related to the collection of taxes and fees also have to be considered. All these matters are seen to be a good sign for local organization development. There are other issues which should continue to be taken into consideration. They are the specifications for the recruitment of local administrators to come from other methods, and the issue of the merger of local government organizations which is also very important. The government should not focus only on the economic value but should also concentrate on the key of decentralization to localities with independence and no intervention from the central government or regional bodies. There should be public participation in monitoring the operation of localities rather than reliance on the rigidity of rules and regulations. In order to build a sustainable democratic foundation, the aforementioned issue should receive full support. These are the challenges of decentralization for all localities in the future so that people can have the power to determine the direction of their localities under the concept of self-governance.

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