

King Prajadhipok's XI Congress

5-7 November 2009

United Nations Conference Center

'Conflict, Legitimacy and Government Reform: Equitable Allocation of Resources in Thai Society'

Context and framework: The King Prajadhipok's Institute was established in 1998 as an independent research centre under the supervision of the Thai Parliament. Each year, the KPI Congress is the occasion for members of the House of Representatives, members of the Senate, academics and members of the civil society to discuss political challenges ahead and brainstorm about potential solutions as well as to present the latest academic research about Thai politics. In 2008, the KPI Congress was held under the topic 'Politics and Environmental Crisis'.

Object: The topic of the 11th KPI Congress was 'Conflict, Legitimacy and Government Reform: Equitable Allocation of Resources in Thai Society'.

Outcomes: Many printed exclusive documents were distributed to participants, such as 'Economic crisis and political crisis in Thailand: Past and Present' by Dr. Bowornsak Uwanno. Besides, academics presenting findings of their research were asked to write and distribute a short article relating to their topics. A booklet gathering all articles was distributed. Also, a newsletter summarizing most important points of the day was printed at the end of each day and disseminated the next morning.

Executive summary of discussions: Looking for solutions to end the political crisis, participants unanimously agreed on a few important points which served as threads for all discussions throughout the three days. First, the **current political crisis is deep-rooted** in the result of the **widening of the gap between the poor and the rich** during the past decade. Secondly, public policies should aim at **reducing discrepancies and achieve equity** (equality of opportunities) through the formulation of more **efficient fiscal policies and public expenditure**. Lastly, the Thai **administrative system should be reformed**, and the public sector comprising various agencies and independent bodies should be drastically rationalized in the sense of greater devolution of power to the people by means of **decentralization and public participation**.

Keynote address of Crown Prince Maha Vajiralongkorn The Crown Prince started his keynote address by praising the work of the KPI towards achieving democracy and equitable allocation of resources. His Royal Highness wished the Thai people success in living together peacefully and happily in a sustainable manner. Expressing hopes to see and a peaceful end to this conflict, His Royal Highness declared the three-day KPI Congress open.

KPI Video presenting the political conflict in Thailand The video showed how divisions in Thai society are deep-rooted in the way resources have been allocated for decades. Previous political reforms have always tackled the symptoms but never addressed the root causes of the conflict. The reforms should aim at achieving equality and justice, thus building up a strong and stable democracy.

International panel discussion on ‘Conflict, Legitimacy and Government Reform: Equitable Allocation of Resources in Thai Society’

The first panelist was Dr Richard Nuccio, director of Civitas International Programs at the Center for Civic Education, USA. Dr. Nuccio’s presentation focused on the work of preparing youths to engage as citizens and help resolve political problems, stressing that educated citizens are the best means for protecting democracy.

Kathleen Lauder was the second panelist. She explained the meaning of equity: everyone should be given the equal opportunity to pursue a life of their own choosing. Problems arise from unfairness and imbalances. A powerful way to address unfairness would be through literacy and education. Further to that, governments could reduce opportunities for corruption with tools like e-procurement, citizens’ charters, and asset declarations. Access to information is important, as is capacity-building for civil society and the media to help scrutinize public service delivery. Budget-monitoring and engaging citizens in the budget process could also help improve governance and equitability in allocation of resources. Networks, to build local capacity and get people engaged in matters of governance, could be an important tool for promoting equity.

The third panelist, Dr. Dieter Benecke, concentrated on the economic aspects of conflict. He presented the Social Ecological Market Economy model pursued by Germany—formerly called the Social Market Model. The core principles are individual self-reliance and responsibility, solidarity of society (recognizing that though all are fundamentally equal, some are better off than others and require help) and subsidiary of the state (the state’s duty to provide the necessary help. SEME aims at providing economic welfare through growth, stability and employment, as well as social justice through inclusive growth, education, preventive social policy, and ecological responsibility. Governments are resistant to change because of risk and the possibility of failure, but transparency, participatory discussion, free information, stakeholder consultation and scientific consultancy can all help reform proceed.

Prof. Chan Wook Park, chair of the Department of Political Science, Seoul National University, made the final panel presentation. He provided a review of South Korea’s path to industrialization and democratization. A lesson to be derived from Korea’s history is that even if authoritarianism and social problems can be hidden for a time with economic development and images of national unity, democracy and the building of a welfare state remain the only way to address problems faced by developed nations.

Keynote address 'Towards a fairer Thai society' by Prof. Dr. Pasuk Pongpajit

IDENTIFIED PROBLEMS

Dr. Pasuk Pongpajit first defined the topic of her presentation. A fairer society must be thought of in terms of equitability for its members. The notion of equitability is different from strict equality to the extent that equitability implies equality of opportunities, that is to say that birth inequalities must be corrected through social policies. Most inequalities are the result of fundamental wealth discrepancies. Today, in Thailand, the richest 20 per cent of families own 69 per cent of the property in the whole country. There is a tendency for people who have a lot of bank deposits to also own a large quantity of stocks in the stock market and most of the land in the country.

Although inequalities have been successfully reduced during the decade 1991-1998, they have been found to peak again in 2000 and 2006. At the same time, the number of income tax payers has declined constantly for the last decade. Out of 38 million workers, only 5 million would really pay income tax in 2008.

Dr. Pasuk explained that Thailand relies too much on indirect taxes, which constitute a heavier tax burden for the poor, and not enough on direct progressive taxes (e.g. income tax). Indeed, while in developed countries, about 50 per cent of the state's tax income comes from direct progressive taxes, in Thailand only 40.5 per cent come from direct taxes.

Overall, the tax revenues of Thailand are very low compared to those of developed countries. Only 17 per cent of Thailand's GDP comes from tax revenues while in Sweden it amounts to 49 per cent.

PROPOSED SOLUTIONS

To respond to these challenges, Dr. Pasuk proposed to follow the move adopted in most developed countries like Europe or Japan, and to adopt a redistributive fiscal policy consisting of a progressive taxation system combined with more efficient public expenditure targeting the poor.

Dr. Pasuk suggested that the Thai government increases the number of income tax payers and rely more on direct taxes with the introduction of direct taxes like inheritance tax, property tax and capital gain tax. Measures to eradicate tax evasion and fraud must be taken.

Dr. Pasuk observed that Thai government spending is problematic in that it spending is generally directed towards the wealthier rather than the poorer. The Abhisit government has taken a good step by instituting free education, but more should be done to provide a social security network for everyone.

Thailand needs to establish a political system that provides for majority rule with protection of minority rights, but there is currently no political will, and some argue that Thailand is not ready for democracy. It is democracy, however that offers the best chance at ensuring a fair

society and resolving conflicts at the lowest cost. Weaknesses of democracy, such as corruption, can be addressed through improvements in the judicial system and other checks and balances.

Thai panel discussion on formulation of public policies

IDENTIFIED PROBLEMS

The Thai panel gathered representatives from various sector of Thai society involved in the formulation of public policies, namely the academic world, a politician, a member of a NGO, and the business sector. Each participant expressed his personal opinion about the way Thailand formulates public policies, in particular concerning allocation of resources, and put this opinion into perspective. A general lack of public awareness, knowledge and understanding of the system appeared to be the main cause of the inefficiency of public policies discussed by the panelists. The insufficient competency of many political leaders as well as their lack of ethics was also highlighted.

PROPOSED SOLUTIONS

Two main solutions were identified. First, the decentralization process initiated by the Constitution of 1997 must be accelerated. Second, public participation mechanisms should be set up to achieve community-based local resource management.

According to Prof. Nithi Eawsriwong, Thai people do not participate in the formulation of public policies. At least three different actors have the power to influence the formulation of public policies: powerful interest groups backed by entrepreneurs and business associations, the monarchy, and the activists (middle-class people, who may or may not be members of NGOs, the media, etc.). Policies are then chosen by politicians who usually have no particular competencies or expertise in the field of application of these policies. Public policies in Thailand are the result of a power-game lacking transparency, therefore leading to inefficient and unsustainable measures and resulting in an unequal allocation of resources in Thai society.

According to a survey carried out by Asia Foundation, Thais want more decentralization. Local governance carries advantages: first, by allowing local people to participate directly in the formulation of policies that directly affect them, the level of efficiency of such policies will probably be raised, and second, local level is a good field to enable local politicians to build their own capacity, to develop their skills and to increase their competency in management of public affairs.

Dr. Nidhi Eoseewong, the academic panelist, identified the cause of conflict in Thai society as unfair allocation of resources at a structural level. A phenomenon seen in many countries is the capture of the state by a small group that allocates resources for personal benefit. The solution to this problem is democracy, but even with elections and various mechanisms like parliaments and oversight agencies, a minority of elite persons end up controlling resources so the majority of citizens cannot participate in allocation. This has occurred in Thailand because administration is too centralized. Thus the solution is decentralization, though this means actual community participation in resource allocation rather than the mere devolution of authority to lower bureaucratic structures. People outside the state mechanisms should be involved and have power in allocating resources. Some of the State functions should be transferred from the public sector to the non-public sector. In such an arrangement, government should be knowledgeable and provide advice. Decisions should be made after consultation with people who would be affected.

As the state official panelist, Dr. Poramethee Vimolsiri began his presentation by painting a rather positive picture of resource allocation and economic development over the past 50 years. National Economic and Social Development Board development plans were made with the intent of developing the country for the benefit of everyone in society. Infrastructure was developed, and the private sector prospered. Emphasis began to shift to allocating resources to provide services for the population and to more fairly allocate the benefits of development, as well as to enable people to work and have access to financial resources. Targets later shifted towards promoting happiness and sustainable development. The economy has become secure and poverty has been reduced, but inequality remains very high and there are discrepancies in education. This is a major source of conflict. Now Thailand must focus on reducing discrepancies in growth and income, which will involve decentralization and ensuring that people can compete in the market in a fair manner. The service sector, and smaller actors, like small and medium-sized enterprises must be involved.

Dr. Sompob Chareonkul, speaking as a person in the private sector, opened by observing that Thailand is in a poor condition at the moment. Conflict is frightening off foreign investment. Public participation must be practiced. Party platforms must be clear and parties should choose charismatic and neutral leaders.

The final panelist was Salee Ongsomwang, speaking as a member of the non-government sector. She drew heavily on experiences of the Consumer Protection Foundation. There, networks of people with consumer problems, all working to exercise oversight, are a concrete solution to problems and help people achieve a better quality of life. In Thai society, there are many examples of unfair allocation of resources—state agriculture budgets going towards exported produce rather than produce for domestic consumption; 3G mobile phone concessions and mobile phone providers' wish to move to a system where they pay the state less for operating concessions. There are still no real public mechanisms for participating in allocation of resources. There is an urgent need to create networks to enable genuine public participation in Thai society.

Group discussions

Group 1 Government and political legitimacy

Rapporteur: Dr. Aran Sothibandhu

IDENTIFIED PROBLEMS

Speakers of the group 1 explained that in Thailand, political legitimacy derives from elections, but that legitimacy is usually lost before the end of the term, due to the behavior of Thai politicians.

Corruption scandals, obvious incompetency and dedication to private interest rather than public interest have broken the social contract. Public trust in representatives has been badly damaged over the last decade.

PROPOSED SOLUTIONS

The election system has to be reformed in order to enable competent and ethical people to come to power and prevent corruption. The voting system could be reformed to help new people enter politics and challenge the traditional influential figures.

Independent bodies such as the Election Commission, the National Anti-Corruption Commission etc. were established to make Thai politicians accountable to the public and therefore legitimate. These institutions have to perform their duties in a more transparent manner.

There is also a great need for a better demarcation of the role and duties of these bodies so that good governance can be achieved.

Group 2 Reform of economic policy for reducing conflicts and promoting political legitimacy

Rapporteur: Dr. Chompunuch Kosalakorn

IDENTIFIED PROBLEMS

The Group 2 presented an analysis of the economic inequality in Thai society. It agreed that corruption is one key element accounting for great inequalities of development in the country.

PROPOSED SOLUTIONS

Thailand has to develop and implement more redistributive policies by means of efficient fiscal measures comprising progressive taxes and public expenditures aiming at making Thai society equitable.

Group 3 Judicial review and judicial activism

Rapporteur : Dr. Kanongnij Sribuaiam

IDENTIFIED PROBLEMS

Whereas before 1997, the judiciary had limited prerogatives, the Constitution of 1997 increased the power of the judges and the Constitution of 2007 extended the mission of the courts even further. The strengthening of the power of the judges, further enhanced by the judicial reform initiated three to four years ago, has led to problems of judiciary interfering in politics. Some might use the term “Judicial governance”.

PROPOSED SOLUTIONS

Thailand should apply the American theory of judicial activism. This term must be understood as referring to the neutral mission of the judges in political matters. The role of the judiciary indeed is not to solve political conflicts but to protect the rights of the people.

Group 4 Innovation for political conflict resolution through Thai local wisdom and socio-cultural capital

Rapporteur: General Ekkachai Srivilas

IDENTIFIED PROBLEMS

Two major conflicts were discussed in the group 4, namely the political conflict and the conflict in the three southernmost provinces of Thailand.

These two very different types of confrontation are both characterized by a complete lack of dialogue between the opposing parties.

PROPOSED SOLUTIONS

With regard to the political conflict, there should be initiatives to open up a space for dialogue between the different parties and build mutual understanding.

With regards to the three Southern provinces, people’s mistrust of the government nullifies any government move towards change of policy. There should be a third party acting as a mediator between the state and the insurgents while informative campaigns should be conducted to instill a feeling of national belonging in the people of the South. The use of commemorative symbols is particularly relevant in this regard.

The Buddhist approach to negotiation could be used as a means to ease the tension while monks could help consolidate social cohesion.

Group 5 Citizen politics in checking of state power for equitable allocation of resources
Rapporteur: Dr. Thawilwadee Bureekul

IDENTIFIED PROBLEMS

The group took the overall picture of the present state of corruption in the kingdom as a starting point. Corruption has changed in the past few years.

Development has taken new shapes and dimensions; the problem of corruption has become more complex making the exercise of checking state power even more difficult while the cost of losses induced by corruption has jumped higher.

The actors of corruption are still threefold: businessmen on top, civil servants and politicians at the bottom. Together they form the triangle of corruption. Recent developments have shown a tendency to an overall increase of corrupt practices in state agencies. State officials reportedly feel less pressured to show a strong attachment to morality and ethics than in the past, and more likely to accept money from corruption without feeling guilty. Indeed, corruption seems to be so anchored in Thai society that either people consider it normal and humane, or they take benefit from it.

It is however fundamental to observe that corruption leads to coup d'état and that coup d'état leads to corruption thus shaping a vicious circle.

PROPOSED SOLUTIONS

Many organizations have been created to check state power, but the effectiveness of the system of power-checking lies in the end in the hands of the people themselves. People must be empowered to undertake such a mission through access to information and public participation processes. It constitutes an expensive, difficult and dangerous transformation of society that Thailand has to initiate in order to get rid of the problem of corruption.

Possible solutions all relate to empowerment of the Thai people through increased opportunities for public participation, enhanced role of the media, strengthening of civil society, and relevant reforms of the law.

Group 6 The strategy of public administration system reform
Rapporteur: Pannaros Malakul

IDENTIFIED PROBLEMS

The public sector system in Thailand, composed of government organizations, parliament, public organizations, constitutionally-mandated independent bodies, and state enterprises has been confronting many emerging internal challenges in the past decade, namely the two economic crises, the political crisis and the two changes of constitution, resulting in instability.

The initial weaknesses of the public sector could not be fixed but has deepened.

PROPOSED SOLUTIONS

Thailand should adopt an ICPM (Intelligent and Creative Public Sector Management) strategy consisting of emphasizing reactivity of the administrative system to the changes of the society as well as simplicity and pragmatism. Transparency must also be focused on.

This strategy shall be built upon an administration system whose different agencies have their roles clearly defined. The aim is to avoid horizontal as well as vertical overlap between agencies and various levels of administrative power.

Capacity-building aiming at developing technical competencies is fundamental to achieve such a profound reform of Thai bureaucracy. The capacity-building strategy must be adopted at all levels of governance, from local to national, with a clear focus on the lowest levels. Training and particular curriculums targeting civil servants shall include a self-evaluation component.

The implementation of this strategy should be monitored at the local level through public participative processes.

Group 7 Reforming local government for the achievement of fairness in Thai society

Rapporteur: Dr. Orathai Kokpol

IDENTIFIED PROBLEMS

The organization of the state is too centralized. This excessive centralization constitutes a barrier to fair allocation of resources in Thai society to the extent that it prevents public participation as well as local capacity-building in the field of public policy.

Moreover, the context has changed and levels of governance are already emerging. Local organizations have gained power and legitimacy while the management of many current affairs is dealt with at the lowest level, namely the community of districts which often edict their own regulations.

Women are still underrepresented at all levels of exercise of governance.

PROPOSED SOLUTIONS

People must be involved in the process of planning and budgeting at the TAO (Tambon Administration Organization) level following the example of many cities in South America.

The willingness of the people to participate in public affairs must be fed by increased popular awareness through better access to information and enhancement of the role of the media.

Keynote closing remark by Dr. Bowornsak Uwanno, Secretary General of the KPI

The secretary-general presented his analysis of the crisis, thoroughly detailed in the booklet 'Economic crisis and political crisis in Thailand: past and present', which was distributed to all attendants. In his opinion, the fact that over the last decade Thailand had lost two constitutions and four prime ministers clearly points out that the crisis is deep-rooted and has more dimensions than a simple shirt-color battle. The crisis indeed has at least three dimensions: it is an institutional, legal, and social crisis.

An important step to be taken by Thailand towards the resolution of the crisis is to acknowledge that its own weaknesses comes from deep-rooted, structural problems calling for profound reforms. Legal and institutional reforms have to be undertaken.

Above all, social empowerment is the key-concept that must guide Thailand in the formulation of its future policies.