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**The political economy of decentralization in Thailand -
Does decentralization allow for peasant participation?**

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Abstract

One of the most important issues in rural development is empowerment and entitlement of farmers through participation. Decentralisation and participation are seemingly interdependent. Therefore, the paper begins with a theoretical discussion on the cause and effects of this interdependence. Decentralisation is often advertised as means to better incorporate the views and wishes of local actors. Yet, a decentralization process is no guaranty for political participation of local actors. The state induced decentralisation process in rural Thailand serves as an example to investigate forces that hamper or facilitate political participation. Change and uncertainty are inherent of political systems and the agricultural sector. Hence, this paper focuses in particular, on the last two politically turbulent decades in Thailand and its impact on political participation in rural Thailand. The Tambon Administration Organization (TAO) as one means of and likewise outcome of the decentralization process will serve as an example to discuss the effects of decentralisation on participation in the TAOs, using the concept of accountability. After increasing decentralization at the end of the 90s the last decade was coined by centralization policies. The ongoing political unrest could potentially trigger a new wave of political decentralization. However, the real reason for decentralization is not to distribute power but to maintain central effectiveness. Thus, we expect to see more decentralization without participation.

1 Introduction

Decentralisation and participation ought to gain momentum when promoted at the same time. Yet, the cause and effects of the interdependence between decentralization and participation is highly debated. Obviously, decentralization does not take place in an institutional vacuum. It happens in an institutional environment that either enables or hinders political participation (Geppert et al. 2002). While there is a considerable body of literature on (1) rural decentralization, (2) farmers' participation and (3) enabling institutions, studies that embrace these three fields are rather scarce. Furthermore, the causes and effects of these single dimensions are often intermingled. Hence, as pointed out by Smoke (2003) they are integrated and must be considered together. The fundamental question is whether it is possible to design a top down decentralization process that allows participation to become reality in a way that it actually impacts rural institutions, or if the problem lies in the political economy inherent already in the motivation for the decentralization reform? Thus, we will particularly take into account the objective of government to decentralize.

The Thai decentralization process in the last two decades has brought about a massive change in the central-local administrative relationship and is still ongoing (Nagai et al. 2008). Thailand has decentralized important duties and responsibilities of administrative bodies and created, for instance, new local administrative bodies the Tambon Administrative Organization (TAO). The decentralization processes in Thailand is understood as politically imposed institutional change to create options for local political participation. The positive arguments for decentralization policies should be qualified for the Thai context at least once. Even if the decentralization process had been laid out perfectly in its design to allow for participation, there might still be endogenous cultural and social factors that hinder participation. The question appears whether the decentralization and formally implemented rules could lead to political participation at all?

2 At the interface of participation and decentralization

The following section discusses the intersection of participation and decentralization. We define decentralization according to Larson and Ribot (2004) who distinguish administrative and political decentralization. Administrative decentralization, or deconcentration, aims at helping ministries to read the preferences of local populations and to better mobilize local resources and human capital. Political or democratic decentralization integrates local populations into decision-making through better representation by creating and empowering representative local governments. Participation can be differentiated by different levels: 1) manipulative, 2) passive, 3) consultative, 4) material stimulated, 5) functional, 6) interactive, 7) institutionalized participation. The forms of participation are sorted into hierarchical order where passive participation has the lowest degree of decision-making power and institutionalized participation the highest. Only the last two forms lead to the empowerment of citizen and thus to actual political participation (Arnstein 1969).

One of the most important issues in rural development is empowerment of farmers through participation. In this context, the crucial question is how farmers can be enabled to stand up for their interests (Kesby 2005). In the past decade, much criticism on the concept of participation emerged. Many people argue that participatory approaches have often failed to achieve meaningful societal change, largely due to a failure in reflecting issues of elite capture and politics (Bardhan 2002). As a reaction to this criticism, research on participation moved on towards political participation, where citizen engagement in policy formation and the peoples' role in holding political decision-makers accountable became matters of interest (Cornwell and Gaventa 2001, Mansuri and Rao 2004, Orlandini 2003). Theoretically, decentralization is considered an effective means to foster local political participation (Larson and Ribot 2004). Decision-making at the local level ought to give more responsibility,

ownership, and thus incentives to local actors and finally contribute more to the ultimate objective of rural socio-economic development and poverty reduction (Blair 2000). Without the possibility of local population voicing their preferences and sharing their expertise in the local decision-making over policies, the informational advantages of a decentralized governance structure are foregone (Andersson 2003). Hence, decentralization must entail provisional measures for participation or allow for direct electoral representation of the local population in local governments (Larson and Ribot 2004).

The work of Cornwell and Gaventa (2001) show how poor people exercise their voice through new forms of inclusion, consultation and, or mobilization designed to inform and to influence larger institutions and policies and thus provides indications how to reach political participation related to rural development. But even political participation does not lead per se to better policy implementation. Andersson and Ostrom (2008) describe how the decentralization literature that resonates with polycentric governance theory is related to institutional mechanisms for political participation. In the polycentric approach, technical capacity and financial resources are important but secondary to contextual institutional incentives. Moreover, analyses of decentralization processes would benefit from widening the unit of analysis from the local government administration to the local governance system. Individual characteristics of local governments are often insufficient to explain the variation in governance outcomes in decentralized regimes (Andersson 2004).

Already 25 years ago, McGinn and Street (1986) pointed out that the real reason for decentralization is often not to distribute power but to maintain central effectiveness or to strengthening the power of the central state. For instance, Smoke (2003) shows several cases in Africa where decentralization efforts are at least partly a guise for renewed attempts by national political elites to expand their control through developing new local institutions or restructuring existing ones. Governments will try to decentralize only to the extent that the dominant group in the government believes that its interests (and those of other groups with whom it has formed an alliance) would be best served by decentralization (McGinn and Street 1986). Thus, when evaluating decentralizing processes governments should be seen as complex systems of competing groups or factions whose members are both within the government and external to it (at the local but also at the central level). Nevertheless, this advice has rarely been followed by researchers. Often research on decentralization focuses on the 'technical' aspects of institutional structure and process. But the technical aspects of any policy are evaluated by policymakers in terms of their political implications for the policymaker's project or larger objectives. In terms of technical merits, decentralization could have been failed but in the view of political effectiveness it could have been a success for those who initiated it as their political base has been stabilized or expanded. Hence, it is not surprising that the empirical literature on decentralization is very ambiguous and is unable to agree on what decentralization's effects on public administration, public finances, or governance have been in practice (Faguet 2008). Decentralization is not a monolithic concept and it is not inherently positive or negative. Hence, in order to evaluate the desirability of decentralization and determine its appropriate form in a particular case, it is useful to 'deconstruct' decentralization into its main goals (Smoke 2003). Therefore, we believe empirical research needs to look deeper at the way decentralization has been carried out and to put more emphasis into the institutions, actors, and reasons behind the decentralization process.

As analytical tool, we will use the concept of accountability, particularly upward and downward accountability. In the context of political participation, the concept of accountability is of enormous importance. Agrawal and Ribot (1991) point out that when powers are transferred to lower-level actors who are only accountable to their superiors in a hierarchy, upper accountability is created (also termed deconcentration). When powers are transferred to lower-level actors who are downwardly accountable, even when they are

appointed, the reform is tantamount to political decentralization. It is downward accountability that enhances political participation. While downward accountability is important, Veron et al. (2006) showed that upward accountability was as necessary to control for local corruption as was downward accountability. The pro-poor outcomes of the decentralization process have been achieved by the central and state governments' ability to counterbalance the elite capture that decentralization tends to spawn, which naturally favors the rich. Andersson and Ostrom (2008) hypothesize that a medium decentralized system, will achieve better outcomes than either a highly centralized or fully decentralized system. However, the big question within any governance system is whether upward accountability really creates check and balances or whether collusion between centre and local level elites takes place.

3 Decentralization in rural Thailand

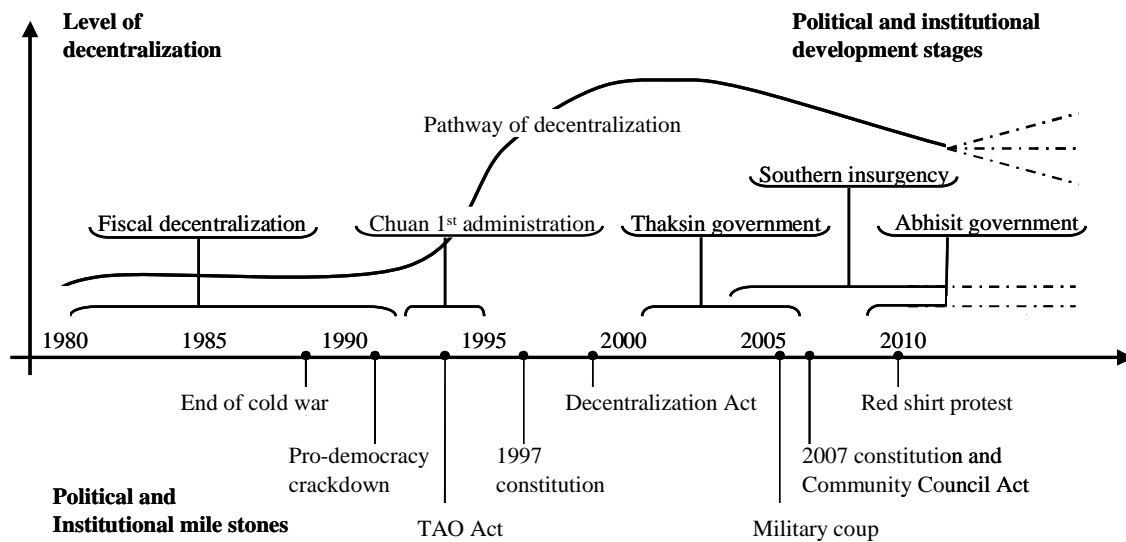
Thailand is commonly described as a highly centralized society (politically and economically) and the concentration of economic growth in the Bangkok area is a historical fact. The development during the last fifty years has even increased the degree of centrality, as the institutions on which a modern administration and economy depend, tend to be in Bangkok. Moreover, with the last century centralization policies were among other objectives used as an assimilation policy to integrate ethnic minority groups into a cohesive nation-state. Furthermore, from the late 1960s to the 1980s, the central Thai government felt a communist threat which turned into a violent insurgency. Centralization and assimilation were seen as a counter measure to this threat (Jory 1999).

3.1 The roots of decentralization

The wave of Thai decentralization reforms mostly began as a largely fiscal decentralization initiative, following international trends popular during the 1980s and early 1990s (Phongpaichit et al. 1996). First initial reforms included some minor changes in local institutions and an insignificant increase in revenue sharing for local authorities. Despite these fledgling reforms, the Thai government attempted no serious renegotiation of centre-local arrangements until the period leading up to the promulgation of the 1997 constitution (Mutebi 2004). These serious efforts of political and fiscal decentralization are generally attributed to former Prime Minister Chuan Leepkai's first administration (1992-1995) (Krongkaew 1995). At that time, the general socio-economic and political situation in Thailand had turned in favor to decentralization. Thailand's economic development since the 1960s had reduced the perceived fear that cultural diversity endangers national integration. The view of the ethnic minorities had changed from national security issues during the cold war to decentralization and livelihood issues in the 1990s. Assumably, minorities were more willing to identify with the Thai nation-state because they had more to gain economically. Furthermore, after the end of the cold war, communism was less of a threat to national security (Jory 1999, Orapin 2001). Moreover, the break down of the central planned economies in the former Eastern Bloc also triggered a wave of demands for more political participation by citizens also in Thailand. Mutebi (2004) quotes two more reasons for starting the decentralization initiative: 1. The above mentioned economic development and the spread of democratic ideas throughout the country meant that much of the citizenry had become more keenly aware of their rights and thus demanded more political participation. Shatkin (2003) points out that the decentralization agenda was largely been driven by the lobbying and political action of emergent organizations of civil society, which saw it as a means to increase transparency and accountability in government and overcome the power of corrupt national politicians and bureaucrats. These civil society groups found allies, however, in the local political bosses who hoped to benefit from greater local autonomy and control over resources provided to localities by the national government. Second, and just as significant as the desire to enhance democracy, was the recognition by the country's leaders that the central government could not solve the various

problems of provincial Thailand (local godfathers, corruption, low public service delivery, etc.) without a substantial alteration of centre-local relations and a fundamental rethinking of the problems facing local governments. Finally, an abortive but very brutal crackdown on pro-democracy demonstrators in 1992 had not only helped concertize the expectations of the general population regarding political and economic reform, but had also compelled almost all the major political parties in the 1992 national election campaign to embrace electoral platforms promising to advance decentralization through local elections and the establishment of sub national fiscal autonomy (Mutebi 2004). But as pointed out by Wong (2007) this does not imply that mainstream political parties were convinced of decentralization policies and genuinely supported this goal. Instead, widespread popular hatred against the military dictatorship and a corollary support for democracy simply left politicians of all stripes with little choice other than to cater to the electorate by endorsing decentralization. Krongkaew (1995) emphasized that the decentralization attempts of Chuan crucially contributed to the durability of his government. The pathway of decentralization according to political stages is exemplified in Figure 1

Figure 1: Timeline of decentralization



3.2 The creation of decentralized structures

The above quoted roots of decentralizing led to a new, albeit short-lived¹, Constitution in 1997 and a Decentralization Act in 1999. Both specify an ambitious program of decentralization of government structures (see Figure 1). For instance, the 1997 Constitution defined decentralization as a national basic policy and the Decentralization Act of 1999 provided the structure for decentralization measures. Over the next few years, elected local bodies were formed at the provincial, sub-district and municipal level. However, the first local administration bodies on Tambon level were created in 1994 after the Tambon Council and Tambon Administrative Authority Act. Since then, the decentralization process had created numerous local level administration outfits. By 1999, there were over 6,700 TAOs (Charas and Weist 2010). The TAOs are supposed to increase the role of rural communities and empower them in decision-making and policy formulation. With this effort, various tasks together with budget and personnel from the central administration have been transferred to the local government level. The tasks of the TAOs are 1. Local and community planning and

¹ The Constitution of 1997 was dissolved with a bloodless military coup in September 2006. In August 2007, a new constitution was accepted by public referendum.

development, 2. promotion of local economic development, investment, employment, trade, and tourism, 3. local public services provision, 4. social welfare services, including education, primary health care, housing, arts and cultures, and 5. promotion of democratic values, civil rights, public participation, law and order, conflict resolution (Krueathep 2004). These policy reforms have induced not only deconcentration but also political decentralization. For instance, through changes in local elections local residents were able to directly elect local councils and sub district heads.² In addition, there are also other opportunities for local involvement such as public hearings, initiations, and referendums, which may result in the adoption of a new law, or a specific government policy. Furthermore, people now have the right to access information on local management practices, take part in procurement processes, and impeach local representatives and executives (UNDP 2009).

But there were also strong forces against political decentralization. Particular bureaucrats from the Ministry of Interior tried to influence the process in their way. Despite the laudable goal, the program was too ambitious in the degree of decentralization. Too many and too tiny administrative units have been created. For instance, the average Tambon cannot support a high school or professional administrative staff (Charas and Weist 2010). Nagai (2001) argues that at beginning of the reform process the Ministry of Interior, which enjoyed the right to appoint provincial governors, opposed the election of governors (which was viewed very positively by the public but then later dismissed in the final version of the constitution). Because of its opposition to popular elections for governors, the Ministry of Interior purposely established Provincial Administrative Organizations (PAO) and TAOs as administrative alternatives. Nagai (2001) also suggests that at that time, the Ministry of Interior's support for decentralization policies was based entirely on self-serving motives. TAOs only appear to represent decentralization, but the real objective may have been to strengthen the authority of the Ministry of Interior by establishing government offices at the Tambon level. There may have been a sincere intention in creating so many small TAOs to bring politics as close to the people as possible. However, considering the reluctance of the Ministry of Interior to give up power a more sinister intention comes to mind. By creating huge numbers of small units, the superiority of the central agents is always maintained and the myriad of little TAOs does not allow that bigger players emerge which may challenge the local-center power relationship.³

3.3 Thaksin and beyond the coup

Democratic decentralization seems feasible, given sufficient political will on the part of the central government to keep a decentralization initiative in place overtime (Blair 2000). But governments change and with them their political agenda. When Thaksin came to power, decentralizing was at best not a topic on his agenda (exemplified with the downward shape of the pathway of decentralization in Figure 1). Thaksin Shinawatra was Prime Minister of Thailand from 2001-06, when he was deposed in a military coup. For instance, the Decentralization Committee under the new Thaksin government submitted the Decentralization Implementation Plan to the Council of Ministers almost one year behind the legally binding schedule.⁴ Furthermore, Thaksin's strategy of enhancing the powers of the unelected provincial governors is without doubt a reinterpretation of the key centre-periphery articles of the 1997 Constitution (Wong 2007). Under the new scheme, the greatly-

² However, since recent polity changes the sub-district heads are not elected anymore (see below).

³ Nevertheless, policies are in place, which allow the merging of Tambons or an upgrade to so-called Thesabans. But, the consolidation process is hampered by resistance of TAO members for fear of losing their status as Thesabans have fewer councilors (UNDP 2009). In mid 2010 5,767 TAOs existed. However, some scholars propose that 1,000 to 1,500 TAOs, with each having a critical mass of population, area and resources, would be an appropriate number (Charas and Weist 2010).

⁴ Under Decentralization Act of 1999, the National Decentralization Committee was convened in the beginning of 2000. It has played a leading role in drafting the plan for decentralization.

empowered governors would serve like corporate Chief Executive Officers (CEO), with full management authority and the final say on all branches of local government including budgets, personnel and various assignments. There are no performance indices to evaluate the performance of the CEO governors. In addition, there is no formalized system prescribing how CEO governors are to be selected. Apparently, Thailand was centralizing while it was decentralizing (Mutebi 2004). However, at the same time Thaksin for the first time in history recognized the rural electorate as viable voters. Thus, despite his increasingly authoritarian government style he opened the door for political participation of the rural electorate on the national level. Clearly, Thaksin's policy to strengthen his political base with the rural population was perceived as a threat to the traditional bureaucrats and other 'elite' interests. By creating a broad political base among the rural population, he was less accountable to Bangkok for electoral support. Urban elite and middle class anger towards Thaksin was largely based on a fear of losing influence in national politics, although such anxiety was more than often guised as a reluctance to pay for 'Thaksin's' redistributive schemes such as the debt moratorium or universal health care (Phongpaichit and Baker 2008). These policies provoked powerful elite groups, prompting them to support military intervention in 2006 (Hughes and Leethongdee 2007).

After the 2006 coup: After the coup the ruling military council claimed that it seized power to end a political impasse caused by government corruption. But most observers have alleged that it represents an urban elite opposed to Thaksin's policies. (Hughes and Leethongdee 2007). It was evident that the post coup governing elite, i.e. the military council, tried to reduce the influences of the rural electorate. The military-led government consciously set about curtailing political participation via structural changes that worked to reverse many of the democratic openings created by the 1997 Constitution. As stated by Hewison (2009) after the coup a kind of semi-democracy was reestablished, with the poor, the working class, and rural people held to be unimportant for a conservative semi-democratic regime. Decentralization has been rolled back to insulate the bureaucracy from political leaders, parliamentary control, and scrutiny (Hewison 2007) (see Figure 1). In 2007 a new constitution replaced the 1997 Constitution (Dressel 2010). However, the new constitution is not blandly negative on decentralization in general. From the point of view of deepening local political participation, it even looks as if some improvements have been made. It not only reaffirms support for decentralization policy but also mandates a number of measures that would strengthen local authorities and democratic representation at the community level (Charas and Weist 2010). For example, local residents are explicitly granted the right to express their views and hold popular referenda on important cases wherein the actions of local government organizations affect their lives. Also, greater accountability is fostered by requiring local government to report annually to the public regarding budget, expenditures, and performance, thereby enabling people to monitor these. Furthermore, the number of signatures of eligible voters required to recall a local political office holder or propose a local ordinance is reduced. The status and role of Thai local government are guaranteed in and strengthened by the 2007 Constitution. However, since the coup in 2006, laws and regulations have been passed to tighten the connection between central and local government. For instance, the Provincial Administration Act was revised and as a result, the role of bureaucrats, especially those from the Ministry of Interior was strengthened at the local level (Chardchawarn 2010). Furthermore, the new 2007 Constitution effectively reduced the power of political parties and strengthened the hand of unelected bureaucrats (Wong 2007).

The current situation: At writing of the article, Thai society is deeply divided into the camps of royalist People's Alliance for Democracy (Yellow Shirts) who backed the 2006 coup and the current government and the United Front for Democracy Against Dictatorship (Red Shirts), which resembles more or less the electoral base of Thaksin. Thaksin-affiliated parties, led by the People's Power Party (PPP), won a plurality in the 2007 general election (the first

after the coup). But Abhisit Vejjajiva managed to become Prime Minister in late 2008 only after the courts dissolved the pro-Thaksin governing party in the wake of the royalist Yellow Shirts' occupation of Bangkok's international airport. In May 2010 a month long protest of Red Shirts at center of Bangkok was bloodily dissolved by the military force of the current Abhisit government which resulted in state of emergency. Several of the Red Shirt leaders are jailed and face terrorism charges. However, the conflict is far from being over and Red Shirt rallies did appear through the whole of 2010. In the light of these events the current Thai government may also have its own plans for decentralization. Many decentralization pathways can be assumed to start from here, as indicated in Figure 1. It is not unlikely that Thailand will see more centralization efforts. During the (mostly rural) communist threat in the 1970s and early 1980s the government avoided any serious decentralization attempts in fear of national security. However, in August 2010, Prime Minister Abhisit Vejjajiva has described the decentralization of administrative power as an important factor to bringing about reconciliation in Thai society (n.n. 2010). On the issue of the, since 2004 ongoing, insurgency in the south, the Abhisit government has proposed a new ministry for the south. Thus, the government may try to resolve the conflict by sharing power with locals. Even though the proposal does not go as far as to suggest an elected governor, it does open up the discourse to include distribution of power among key groups outside the bureaucracy including, religious leaders, local politicians, civil society groups and professional associations (Poocharoen 2010). Although nothing has yet been proposed, a similar approach seems imaginable to solve the conflict with the Red Shirts. Thus, the government may try to use low level decentralization to tame the Red Shirt movement and to keep central power. Furthermore, the Abhisit government also appeals to the rural majority by acting to improve their standard of living, rather than ignoring them as the Bangkok elite has done before. Thus, his government has followed Thaksin-like policies to try to win their votes.⁵

4 Elite forces and decentralization

4.1 Local elites and elite capture

The decentralization process was supposed (among many other things) to create more public participation at the local level and to reduce corruption as more downward accountability should have been created. General critiques of decentralized policies say that often decentralization is associated with elite-capture (Mansuri and Rao 2004). Historically, from the 1960s, when the Thai government extended its development policies and administrative controls into the villages, the head of the sub-district and the village heads were co-opted into the government's pyramid as the lowest level of rural administration. Although many of them were able to take key positions within the new decentralized bodies, many have been and often are still strong opponents to the decentralization process due to the fear of losing power. The decentralization lessened the importance of local bureaucrats, with local politicians increasingly emerging as the new patrons. However, the administrative reforms towards decentralization during the first Thaksin government (rather centralist administration), combined with a Chief Executive Officers (CEO) style of provincial administration, amplified and entrenched client-patron relationships in local administration. The CEO style of provincial management implies the concentration of decision-making power within the provincial centers. Centralization used to be intertwined with patronage. With the integration into a wider context, the most crucial resource has become contacts and relations to the local administrative officials, such as personal relation between communal/local leader and official, to local politicians and businessmen. These relations are often combined and

⁵ Thaksin style populist measures of the current government have been for example: Free education policy, senior citizens allowance, cash handout to boost consumer spending, sufficiency-economy fund, and the fund for local communities (Rigg and Salamanca 2009). In late 2010 further measures have been proposed such as a salary increase for TAO staff and a proposal to extend free bus, electricity and tap water for low-income earners.

have been strengthened through the government-supported process of decentralization and the establishment of elected Tambon Councils (Korff et al. 2007). Thus, political decentralization in Thailand, rather than promoting local government efficiency and accountability, has actually increased the power of political machines run by local bosses and reinforced the centrality of the spoils system in Thai politics (Shatkin 2004). The decentralization of decision making to local government organizations has become the source for creating more corruption and abuse of power. The number of corruption-related complaints against these local organizations is significantly higher than against other public agencies. However, with the sheer amount of local administrative bodies that is not surprising. Furthermore, it can also simply mean that top end corrupt bureaucrats are better protected by their networks or that local administrations are now more transparent than before which would reveal any wrong doing more easily. Finally, there is no proof that local corruption is worse or even a bigger problem than at the national level. On the contrary, according to UNDP (2010) corruption remains a major problem, particularly at the higher levels of politics and the bureaucracy. Nevertheless, new local elites – particularly town-based entrepreneurs – have emerged to monopolize representative positions in decentralized authorities. Often the new elites consist of the younger generation, largely in their thirties that had gone to work or study into the bigger cities and had come back to their villages to take on new leadership positions. In many cases they won the election over older folks who have traditionally been opinion leaders in their village (Garden et al. 2006). Particular TAO representatives are an emerging new strain of leadership in the village. Although they do not wield any formal decision-making authority in the village, they are frequently included in matters of village governance. Their importance in the village is linked to their role in influencing the use of Tambon resources (Badenoch 2006). While these new local politicians are integrated into local circles of exchange and accommodation, nevertheless they do mediate the space between the central state and villagers better than the closed bureaucracy of the past. To a limited extent these local patrons are beginning to serve the needs of their rural clients (Arghiros 2001). This may have been caused by a political power struggle between old and new elites. As pointed out by Blair (2000) in examples from other developing countries, sometimes the new elites may find themselves quarreling with old elites and in need of allies who are willing to give support for a political price. Despite all flaws of the local administrative system and democracy, one has to admit that power is more widely spread today than it was before the decentralization process has started.

4.2 Reducing elite capture – Up- and downward accountability in TAOs

The TAO consists of two branches – the TAO Council (monitoring branch) and the TAO Committee (operating branch). The TAO Council is mostly composed of directly elected representatives from the villages, and according to the intention of the decentralization reforms, is the immediate source of local accountability. Besides elections, other accountability measures exist such as the right to access information on local management practices or to impeach local representatives and executives. However, often local residents are not aware that they have the right and opportunity to participate (Orapin 2001). Due to the lack of transparency and participation of the people, TAOs can easily be corrupted. Evidently, many contracts for TAO projects are distributed among subcontractors who are friends or relatives of TAO members (Orapin 2001). Before the coup the council was completely elected. But today the district head officer selects the sub-district headman, who is also a member of the council, from among the village headmen of the Tambon. The terms of the sub-district headman and village headman were drastically extended. Once elected, they can remain in office until retirement at the age of sixty. To remain in office, the performance of every village headman must be evaluated every five years. The regulations and criteria used will be decided by the Ministry of Interior. However, public participation in each evaluation is

required. Local political participation has been lowered after the 2006 coup (Chardchawarn 2010).

The TAO Committee is appointed by the district government, although the chairman and two sub-chairmen are elected by the people and then recommended to the district for appointment. The sub-district head is responsible for coordination with official policy, and sits on the Committee as well. The central government also retains two positions at the TAO, the permanent secretary and the engineer. Neither of these positions is elected, and they are often not assigned to local people. Their accountability therefore lies with the centre rather than the local people. This arrangement has meant that the appointed officials have been able to misuse their access to resources, creating a significant constraint to the empowerment of locally elected officials (Badenoch 2006). Nevertheless, their upward accountability may also function as check and balances to avoid local elite capture.

The TAOs are supposed to increase the role of rural communities and empower them in decision-making and policy formulation. However, most local authorities lack the skills, experience, and perhaps also the courage to design and implement policies on their own (Suwanrada and Wagener 2006). Leaders in local government often do not exercise their legally granted powers and accept too many decisions and directions from the district officer instead of listening to their constituents (Garden et al. 2006). However, sometimes the district officer is able to exert so much power that the TAO has to except his request even in the case of an activity which is unrelated to the TAO itself (Wong 2007). Whether this lack of independence in decision making of higher administrative structures is caused simply by lack of leadership skills or whether it is built into the system by creating too much upward accountability cannot be answered, at this stage. But one result could be that central agencies and national civil servants do not accept the TAOs as equal partners in development (Orapin 2001). Lack of decisiveness with local administration can also be caused by a strong downward accountability. As found by McCargo (2008) in discussions with TAO members, some wanted to close down entertainment places (such as karaoke lounges) within their sub districts and they also have the power to do it through issuing local bylaws. But in the end most members did not want to go that far, because this would have made them unpopular and potentially could have jeopardized their re-election.

One side effect of the decentralization processes is that it has lowered existing informal mechanism of downward accountability. For instance, some of those during the 1990s and early years of the new millennium very active civil society groups have lost much of their momentum. The decentralization process has 'tamed' farmer groups and mainstreamed into officially created spaces (Mansuri and Rao 2004, Orlandini 2003). So they may have lost part of their independence, which limited their role in helping ensuring transparency and accountability. As pointed out by Ostrom (2005) establishing new institutional arrangement without properly recognizing prior existing institutional arrangements can have adverse consequences. First, those who have invested into those prior institutional arrangements are less willing to venture further investments and second there is a general downgrading of the status of local knowledge and traditional institutions. The later is not surprising as local politicians and the voting public of the localities played only a very small role in the decentralization process that has taken place since 1997 (Chardchawarn 2010). Nevertheless, the question is whether this reduction of accountability is outweighed by the new accountability created through the interfaces between state administration and civil society groups. The decentralization process should have made it easier for civil society groups to participate in local politics. As described by Badenoch (2006) TAOs are searching for ways to institutionalize their interactions with other local actors. The fundamental issue of creating an interface between TAOs and civil society groups is a priority throughout Thailand. Furthermore, local departments have adopted community development planning through participatory process as a key strategy for promoting partner-ships between local authorities,

community organizations, and regional and central government agencies who are working at the community level. The practice was institutionalized in the 2007 constitution and with the passage of the Community Council Act of 2007 (Charas and Weist 2010).

Another, declared purpose of the decentralization is to increase the extent to which local communities have control over the way revenues are appropriated and thus to increase the degree of local accountability for public expenditures. Various tasks together with budget and personnel from the central administration have been transferred to the local government level (Krueathep 2004). As a result of the decentralization process, the revenues of local governments have increased. However, the TAO budget still depends much on the financial support allocated from central government via the district officer. That means they still need to answer to and comply with queries and tasks suggested or assigned from the top (Garden et al. 2006). Heavy reliance on central taxes, shared taxes and grants reduces local government discretion and accountability to voters (Charas and Weist 2010). Furthermore, the present system does not provide instruments to limit political intervention. It seems that today national politicians can better influence the distribution of grants to local governments than before the coup. A high proportion of revenues consists of specific grants from the national government. The distribution of those grants can be influenced by national politicians to broaden and strengthen their political networks. In turn, local politicians must be responsive to the national politicians who grant them their budgets (Chardchawarn 2010).

5 Conclusion

Since the early 1990s, Thailand is in a phase of continuous decentralization and recentralization. Every government since then has newly defined this relationship. After the strong push for decentralization at the end of the 1990s, the last decade has seen more centralization than decentralisation efforts. Central governance has taken back some local influence either by limiting political participation or by funding arrangements. On the one hand, one can interpret the centralization efforts within the last decade as antidemocratic currents within the elite-led central government to correct some of the decentralization measures of their predecessors. On the other hand, those centralization measures could be interpreted such that they create more up-ward accountability in the local governance system which was too downward accountable and thus, too prone to local elite capture. However, the evidence suggests more the former than the later. Particular, upward accountability created via centre control of local funding may not promote check and balances but collusion between centre and local level elites.

Our research question was whether the decentralization process in Thailand allows for local participation in a way that it actually impacts rural institutions or whether the process will end in decentralization without political participation. Although, rural households are given opportunities to participate in rural development, they are kept out of political decisions affecting national political elites. The bureaucracy and other elites at the national and urban level strongly oppose political decentralization. The views and attitudes of the centre elite are one of the major forces in hampering the emergence of political decentralization or participation. Independent institutions are not developed and are not seen by the political elite as necessary. It will probably take more than a few decentralization attempts to change the minds and attitudes of the people. Political decentralization will inevitably lead to an increase in variation of political attitudes and policies and thus can increase dissent. But it delivers at the same time the appropriate political institutions to channel conflict. When we are looking at the 2010 violent outburst of the Red Shirt movement or the insurgency in the south, the conflict seems to be growing. However, institutions to channel this conflict are yet in place. Furthermore, the rural population is characterized as not willing to engage more in local political participation or governance. A history of patronage could have led to an indifferent or apathetic rural population. However, the recent struggle for more democratic representation

on national level of the mostly poor and rural Red Shirt movement, suggests that a strong commitment for participation on political processes exists. The question is in which direction will the current situation move? The crackdown on pro-democracy demonstrators in 1992 finally led to a wave of political decentralization. Hence, the 2010 bloodshed of Red Shirt protester and the insurgency in the south could finally trigger a new wave of political decentralization and there are some indications that such measures are at least discussed. However, situations are different today. The country in 1992 was not as divided as today. Hence, another history lesson comes to mind, the centralization measures during the cold war. It is not unlikely that the current government will be trying to neutralize the dissent by creating pseudo-organizations to calm the dissent without allowing political participation at the centre level. Another way could be to institutionalize decentralized government bodies such TAOs to monitor or control rural areas and slums where most the Red Shirt supporters dwell (although this strategy did not work in the south (Poocharoen 2010)). Of course local government bodies are both governmental representatives and representatives of the people. But it seems that we will see a strong push of these bodies to the governmental side. As pointed out earlier, the real reason for decentralization is not to distribute power but to maintain central effectiveness. Thus, we expect to see more decentralization without participation.

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