



THESIS ABSTRACTS

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Problems of Local Autonomy : A Focus on Municipal Finance

Autonomy is deemed essential in any form of local self-government. A system of municipal government was first set up in Thailand in 1933, one year after the Revolution of 1932, with the purpose of familiarizing the Thai people with the parliamentary system of government. Municipalities which should be the school for teaching political democracy, so to speak, were established at a time when democracy was quite new to the Thai people. In this way, it was hoped that the people could visualize the value of democracy, particularly the value of local self-government.

In reality, however, local self-government in Thailand varied from the above-mentioned purpose. To begin with, the power to incorporate localities is vested in the Minister of the Interior, by the Municipal Act of B.E. 2496. Secondly, the Ministry of the Interior, by virtue of the said law, can issue ministerial regulations and orders which municipalities must comply with. Quite obviously, this is a very broad grant of power to the Ministry of the Interior. As a result, municipalities themselves do not have local discretion in a great number of respects. Many matters of basically local concern must, therefore, be brought to the attention of the central government for action. In short, municipalities have been strictly and substantially controlled by central authorities. Thus, decentralization, in form and degree, is obviously limited.

Municipal finance administration, an important tool of management, falls under heavy control and surveillance. Again, financial decision-making at the local level is very limited in scope. All sources of income together with grants-in-aid are so inadequate that the municipalities cannot provide adequate local services. In addition, local borrowing, budgetary control, municipal accounting, auditing, reports, and purchasing, are strictly regulated by ministerial regulations which all municipalities must adhere to. These constitute delays in decision-making and action and are great barriers to local autonomy or limited self-government.

This thesis emphasizes the paramount importance of local autonomy and focuses on three major problems. In the first place, concerning the problem of overall local autonomy, the author urges the central government to support the idea of giving greater autonomy to municipalities by decentralization. Present circumstances point out the immediate need for decentralization in order to stimulate popular control, participation, and initiative at the local level. Moreover, the central government can utilize municipalities as an institution to promote economic and social development which would serve the entire nation.

The second problem concerns local sources of income. This is one of the most crucial problems in local government. Improvements should be made by the Ministries concerned, namely, the Ministry of Finance and the Ministry of the Interior, in order that the municipalities can perform their regulatory functions properly. Tax collection procedures, too, have to be taken into account. In connection with grants-in-aid and municipal borrowing, both sufficient amounts and principles should be taken into consideration by the central authorities.

Last but not least, is the problem of financial decision-making. Time-consuming approvals from the central government cause not only delay in performing duties but also create an obstacle to initiative and tend to encourage local authorities to avoid responsibility. The most feasible remedy would be to transfer as much of the controlling power as possible from the Minister of the Interior to the provincial governors.

In the light of what has been written, the absence of real autonomy for municipalities seems to be obvious. If the Ministry of the Interior wishes the municipality to be an institution which can promote popular control and participation, economic and social development, and to be a center of initiative, then the municipalities have to have greater and real autonomy. Why not let them have it?

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