

# ADMINISTRATIVE REORGANIZATION PROPOSALS IN THAILAND

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During the past several years there have been frequent and often strident calls for reorganization of administrative units within the Thai bureaucracy. More than twenty-five ministries, departments, boards, divisions or state enterprises have been the object of such reorganization proposals. The proposals have included calls for (1) the elimination of a department or agency, (2) the merger of several units into one, (3) the transfer of an agency from one ministry or office to another, and (4) the elevation of a unit to a higher level within the bureaucracy. Some of the proposed changes would effect major transformations within the Thai governmental structure; others are less sweeping. All, however, would in some degree alter the reorganized agency's placement within the bureaucracy and its relationships with other agencies.

These proposals have emanated from a variety of sources. Some have been urged by ministers, directors-general and other highly placed officials from either within or outside of the agency concerned. Others have originated from members of Parliament or parliamentary committees. Political party spokesmen on occasion have also called for changes in the bureaucratic structure. Members of the government party - the United Thai People Party (UTPP) - as well as leaders of opposition parties have offered such recommendations. Similar suggestions have come from newspaper columnists and editorial writers who have prescribed changes in governmental organization as their remedies for social and political ills. Other non-governmental organizations have also been the source of reorganization proposals. Often these proposals are championed by a combination of actors acting either in concert or independently.

There is also great variation in the degree of intensity underlying individual reform proposals. Some have been presented almost casually with little effort made to follow up the suggestion. In other cases the demand for change has been intense with many voices entering the fray. For example, discussion of the proposed shift of the Bureau of the Budget from the Office of the Prime Minister to the Ministry of Finance absorbed considerable attention over a lengthy period of time.

This study presents a brief catalog of the recent reorganization proposals. It also indicates in some detail the underlying rationale for the several proposals. In doing so both stated and implied reasons are explored in order to ascertain the motivations and strategies of those

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suggesting changes. The study concludes with a set of hypotheses which attempt to explain more generally why reorganizations are suggested or demanded. It should be noted that the rationales and hypotheses are presented and considered in light of Thai political and administrative behavior. Where similar demands for administrative reorganization appear in other countries it may be the case that the suggested hypotheses are also relevant.

This study does not attempt to provide detailed analysis of each of the reorganization efforts. Such case studies would be of great value in testing the hypotheses presented. Such tests could lead to refining or even rejecting some of the hypotheses. However, time and space limitations do not permit that extensive treatment in this paper. Instead, material drawn from specific cases will be introduced only as illustrative or suggestive of the hypotheses offered. Another limitation is that purely "internal" reorganizations are not considered in this study. That is, actions by an agency on its own initiative to reorder its functions, office procedures, field units and so on are not discussed. While of interest, these internal reorganizations are beyond the scope of this study unless such internal activities impinge upon or result from a broader reorganization effort.

## I

The accompanying table presents reorganizations in the Thai bureaucracy proposed during the past two years. It lists the agency concerned, its present bureaucratic home, the reorganization action proposed, and, where relevant, the proposed new location of the agency. This information was drawn primarily from newspaper accounts and interviews with governmental officials. It may not be complete in that suggestions for reorganization may have also been made in private meetings or in public utterances which did not surface through the major sources noted. The list, however, if not complete, appears to be representative, and includes all those which have been presented seriously and pursued by their advocates.

**Table I**  
**PROPOSED REORGANIZATIONS IN THE THAI BUREAUCRACY**  
 1969-1970

	Agency	Present Location Office/Ministry	Proposed Action	Proposed Location Office/Ministry
1.	Office of Accelerated Rural Development	Office of Prime Minister	Elimination	-
2.	National Audit Council	" "	Transfer	Parliament
3.	Budget Bureau	" "	"	Finance
4.	Civil Service Commission	" "	"	Independent Agency
5. (a)	Board of Export Promotion	" "	Elimination	-
(b)	" "	" "	Transfer	Economic Affairs

	Agency	Present Location Office/Ministry	Proposed Action	Proposed Location Office/Ministry
6.	Public Institutions of Higher Education	Office of Prime Minister	Transfer	Independent Agency
7.	Board of Investment	„ „	„	Industry
8.	(a) Board of Tax Supervision	„ „	Elimination	-
	(b) Board of Tax Supervision	„ „	Transfer	Finance
9.	Tourist Organization of Thailand	„ „	„	Not Specified
10.	(a) Department of Credit & Marketing Cooperatives; Land Co-operatives; Co-operative Auditing	National De- velopment	Merger	National Develop- ment
	(b) Department of Credit & Marketing Co-opera- tives; Land Co-opera- tives; Co-operative Auditing	„ „	Transfer	Agriculture
	(c) Department of Credit & Marketing Co-opera- tives; Land Co-opera- tives; Co-operative Auditing	„ „	Elevation	Ministry of Co- Operatives
11.	Department of Highways	„ „	Transfer	Communications
12.	Royal Irrigation Department	„ „	„	Agriculture
13.	Land Development Department	„ „	„	„
14.	Dept. of Technical & Economic Co-operation	„ „	„	Finance
15.	Technical & Planning Office	„ „	Elimination	-
16.	Ministry of Industry	Industry	Merger	National Devel- opment
17.	Departments of Rice; Agriculture; Agricultural Promotion	Agriculture	„	Agriculture
18.	Food & Drug Control Division	Public Health	Elevation to Dept.	Public Health
19.	Private School Div.	Education	Elevation to Dept.	Education
20.	Forest Police, Railway way Police, Marine Police, Highway Police	Various	Transfer	Police Dept.

	Agency	Present Location Office/Ministry	Proposed Action	Proposed Location Office/Ministry
21.	Police Dept.	Interior	Elevation	New Ministry
22.	Various State Enterprises <sup>1</sup>	Various	Elimination	-

It is apparent from this list that the Office of the Prime Minister and the Ministry of National Development have been the prime targets of erstwhile reorganizers. Nearly every major unit of the National Development Ministry has been singled out for elimination or transfer. Similarly, the number of units in the Office of the Prime Minister would be drastically reduced if proposals regarding units in that office were to be adopted. Proposals relating to these two major offices have also received the greatest amount of attention by a relatively diverse set of political actors.

By comparison, most of the other reorganization proposals are either 1) relatively minor in dimension, or, 2) though potentially constituting major changes, have not been pursued with great intensity. An example of the latter is the suggestion that the Police Department be reconstituted as a separate ministry. This would have a major impact on the locus of power within the Thai bureaucracy, but the suggested change has not been actively pursued. Illustrative of relatively minor changes are the proposals that the Food and Drug Control Division and the Private School Division be promoted to departmental level within their respective ministries.

## II

Recommendations for reorganizations have been supported by a variety of stated reasons. It is suspected a "hidden agenda" of covert, unstated reasons also provided motives for at least some of the proposals. This section tabulates and analyzes the overt reasons given for a suggested change, and it concludes with a discussion of several covert motives which may also be pertinent.

Stated reasons for reorganization proposals have included 1) demands for changes in the given agency's policies and procedures; 2) arguments calling for the elevation of an agency's status because of the importance of its functions; 3) suggestions that certain regulatory and control agencies could perform more effectively with a change in status or location within the bureaucracy; 4) calls for the elimination of duplication of effort or for better coordination of effort among two or more agencies performing similar functions; and 5) arguments that a given reorganization will effect significant savings for the government. The stated reasons for reorganizations are presented in Table II. In most instances more than one argument has been made in the effort to justify the change recommended.

<sup>1</sup> Though included as a whole in this and the subsequent tabulation, the specific state enterprises proposed to be eliminated are not itemized in this study. The group includes such disparate operations as the Forest Industry Organization, gunny bag factories and so on. The background and development of state enterprises and present efforts to abolish some of them is of sufficient interest to warrant additional examination. That detailed examination is beyond the purview of this study.

Table II

**PROPOSED REORGANIZATIONS: REASONS STATED**  
(the numbers in parentheses refer to the reorganization proposal in Table I.)

- A. Change the agency's policies
1. Budget Bureau (3)
  2. Board of Investment (7)
  3. Co-Operative Depts. (10a) (10b) (10c)
- B. Change the agency's procedures
1. Budget Bureau (3)
  2. Higher Education Reorganization (6)
  3. Board of Investment (7)
  4. Highway Dept. (11)
  5. Royal Irrigation Dept. (12)
  6. Ministry of Industry (16)
  7. Food & Drug Control Division (18)
  8. Police (Forest, Railway, etc. ) (20)
  9. State Enterprises (22)
- C. Improve Status & Functions of Agency
1. Higher Education Reorganization (6)
  2. Tourist Organization (9)
  3. Co-operatives (10c)
  4. Food & Drug Control Division (18)
  5. Private School Division (19)
  6. Police (Forest, Railway, etc.) (20)
  7. Police Dept. Elevation (21)
- D. Provide more effective and appropriate location and status for control functions
1. Audit Council (2)
  2. Civil Service Commission (4)
  3. Board of Tax Supervision (8b)
  4. Dept. of Technical & Economic Cooperation (14)
  5. Food & Drug Control Division (18)
  6. Private School Division (19)
  7. Police (Forest, Railway, etc.) (20)
  8. Police Dept. Elevation (21)
- E. Eliminate duplication of effort; produce better coordination effort
1. Accelerated Rural Development (1)
  2. Budget Bureau (3)
  3. Board of Export Promotion (5a) (5b)
  4. Higher Education Reorganization (6)
  5. Board of Investment (7)
  6. Board of Tax Supervision (8a) (8b)
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7. Co-operative Departments (10a) (10b) (10c)
8. Highway Dept. (11)
9. Royal Irrigation Dept. (12)
10. Land Development Dept. (13)
11. Dept. of Technical & Economic Cooperation (14)
12. Technical & Planning Office (15)
13. Ministry of Industry (16)
14. Agricultural Departments : Merger (17)
15. Police (Forest, Railway, etc. ) (20)

F. Economic Savings

1. Board of Tax Supervision (8a)
2. Agricultural Departments: Merger (17)
3. State Enterprises (22)

The table reveals several interesting facets about the administrative reorganization discussions in Thailand. One is that the demand for changes in an agency's policies is seldom specified as a reason for reorganization. Moreover, only in the case of the Board of Investment did changes in policy direction loom as a primary reason for shifting the agency. There sustained attacks from various quarters have been made on the basic policy guidelines followed in the Area of investment promotion.<sup>2</sup> Budget Bureau policy came under attack primarily because of one issue - the questions of the allocation of special development funds. Members of Parliament, in particular, opposed the Bureau's efforts to exercise fiscal control over expenditure of funds which the legislators believed to be within their discretion. In the cases of the merger of the co-operative departments, their transfer to the Ministry of Agriculture or their elevation to ministerial status, changes in policy were suggested only in most general terms. That is, those advocating such changes believed that there were inadequacies in present policies regarding cooperatives without clearly specifying those inadequacies or offering concrete policy alternatives.

Significant shifts in policy may be implied in other reorganization proposals, but the failure or unwillingness to make them explicit lends credence to the thesis that the Thai bureaucracy does not tend to be program or policy oriented.<sup>3</sup> Presumably, urging change because of program or policy needs does not weigh heavily as an argument for those dissatisfied with existing organizational arrangements.

Changes in agency procedures attracted considerably more attention as a rationale for reform than changes in policies. In about one-half of the cases demands for changes in procedures resulted largely from allegations of corruption in the agencies concerned. Such allegations were made with respect to the work of the Highway Department, the Royal Irrigation Department, several of the auxiliary police units currently divorced from the Police Department, and several state enterprises. Typically, the charge of corruption was followed by the claim that a shift in the agency's status would alleviate the evil.

<sup>2</sup> The preponderant share of public attacks on policies of the Board of Investment have come from one source: The Bangkok *Daily News*. That newspaper levelled a lengthy series of editorials condemning policies and procedures of the Board.

<sup>3</sup> See, for example, William J. Siffin, *The Thai Bureaucracy: Institutional Change and Development* (Honolulu : East-West Center Press, 1966), p. 163.

Improving the bureaucratic status of agencies is the third rationale supporting reorganization proposals. This may mean elevating a department or set of departments to ministerial level, as has been proposed for the co-operative departments or the Police Department. Or it may mean similar promotion from divisional to departmental status within a ministry. The proposed elevations of the Food and Drug Control Division and the Private School Division are examples.

This rationale also includes removing an agency or agencies from present locations on the presumption that its new placement promises marked advantages. This would seem to be the case with the reorganization of higher education to give these institutions relative autonomy from political control. In the case of the Tourist Organization of Thailand those urging change presumably felt that it could command a more favorable allocation of resources in a ministry than if it remained in the Office of the Prime Minister.

It is significant that of the five identified reorganization proposals other than those affecting the Ministry of National Development, the Office of the Prime Minister, and state enterprises, four clearly fall within the category of presumed improvement of the agency's status. Typically, a member of the agency or an outside ally proposed that its position be enhanced because of increased work-load, importance of the functions it performs, and so on.

Closely related to the elevation of agencies is the argument that reorganization should occur in order to provide a more effective and appropriate location and status for regulatory and control activities. The police reorganizations as well as those involving food and drug control and private schools fall under this heading. The category also covers reorganizations of control units which would not necessarily elevate the agency concerned. In fact, from the perspectives of those presently in the agencies, such moves represent a distinct threat to their present status. This seems to be the case for the fiscal control units - the Audit Council, the Board of Tax Supervision and the Department of Technical and Economic Cooperation - and the Civil Service Commission. All but the DTEC - which is in the Ministry of National Development - are now in the Office of the Prime Minister where they serve as centralized staff units. A shift away from that central position could be regarded by them as leading to a decline in their effectiveness.

Those arguing for such changes, however, contend either that such control units should not be placed in close proximity to the nation's political leadership, or that they should not be in the executive establishment at all. The former view is reflected in the call for independent status for the Civil Service Commission; the latter in the demand that the Audit Council be made an adjunct of the Parliament.

By far the most prevalent rationale for reorganization is the fifth; to eliminate duplication of effort and produce better coordination of effort. These are not exactly equivalent, but they become so interspersed in the parlance of administrative reform in Thailand that it is all but impossible to untangle them. Except for the various state enterprises, all suggestions that agencies be eliminated are couched in terms of removing duplication. Proposals for several mergers and transfers are also pegged to this argument.

The final category of overt, or stated, reasons for reorganization identified is that such action will effect savings in government spending. Surprisingly, this is an argument used quite sparingly. Only in three cases, the merger of agricultural departments, the elimination of the Board of Tax Supervision and the elimination of certain state enterprises, did advocates of change

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stress the economies accompanying such moves. This is in marked contrast with reorganization efforts elsewhere which often have budgetary savings as a primary justification.

Presumably, there are also covert, unstated reasons underlying demands for administrative change. They are, of course, necessarily much more difficult to ascertain and measure than the stated reasons. Yet they may be as or more important to prompt calls for administrative change than the reasons given. The in-depth case studies mentioned above, augmented perhaps by shrewd guesswork, might reveal the "hidden agenda" of reorganization efforts. Lacking those penetrating studies, one can only offer suggestions of additional reasons or motives involved in these cases.

Personality differences and conflicts are a likely unspoken factor contributing to reorganization proposals. It would appear that personal differences exacerbated the controversy surrounding the Budget Bureau. The Director's role and relationship with Members of Parliament as well as other officials may have contributed to calls for the Bureau to be transferred to the Ministry of Finance. Significantly, the question of transfer was at least temporarily resolved by moving the Director to a new position in the bureaucracy. It is probable that personality conflicts have also been a factor in other reorganization efforts.

Another covert reason for suggesting reorganization may be as a weapon in a more general attack on the government and the governing party. Charges of corruption, duplication of effort, lack of coordination, ineffectiveness, and so on, in administrative agencies can contribute to a decline in popularity of the ruling establishment. Such attacks from the opposition parties and the opposition press may indeed include this additional and important motive of embarrassing the government.

The use of the threat of reorganization as a device to improve one's bargaining position with the agency concerned may also be a potent item on the "hidden agenda". To stave off the serious consequences of reorganization the affected agency might be willing to make other concessions which benefit the instigator of the reform proposal. Closely related is the notion that reorganization proposals may be made in order to enhance one's standing with a constituency or the public at large. Reorganization proposals do receive considerable attention in the press. The attendant publicity may be very useful for a Member of Parliament or other governmental officials.

### III

Various stated and implied reasons for the agitation for administrative reorganization in Thailand have been explored. However, the extensive scope of such agitation suggests that there are more basic general explanations of the basis of this movement for change. A broad segment of the Thai bureaucracy has been the object of reform proposals. If adopted, these changes would produce extensive alterations of the government's organizational framework, and they would have considerable impact on many offices and officials.

What follows is a series of general hypotheses which appear to be relevant to the present situation. They should be considered as suggestive or tentative hypotheses since complete information about each of the reorganization efforts is not yet available. Therefore, they must be offered with recognition that future research and analysis may show that they should be modified or

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dropped. Nevertheless, they are useful as a starting point in the effort to find explanations for the phenomena of administrative reform in Thailand. Their presentation may help to guide future scholarship into areas that might otherwise be overlooked or ignored.

Hypothesis I. *The reorganization movement in Thailand is largely an effort to decentralize administrative power.* During the 20th century a major impetus for administrative reform in most countries has been a desire to centralize administrative authority. In the United States as elsewhere administrative reorganization commissions or committees have performed their tasks with an eye toward improving the capacity of the chief executive to control an ever-growing bureaucracy. Efforts to supply the executive with staff assistance and to give him budgetary as well as other controls over the bureaucracy have been common ingredients in this process. The recent attempts to attain reorganization in Thailand have had the reverse impetus. Here the movement appears to be characterized by a consistent pattern of efforts to decentralize administrative authority.

The catalog of reorganization proposals indicates that the Office of the Prime Minister and the Ministry of National Development were the prime targets of those advocating changes. Altogether seventeen of their departments, bureaus and offices (counting the institutions of higher education as one unit) were singled out for changes. Nearly all of the changes would have the effect of diminishing the Prime Minister's office and the development ministry. Both of these agencies are integral forces of centralization within the Thai bureaucracy. The central character of the Prime Minister's office is obvious. In the case of the Ministry of National Development, its creation in 1963 was predicted on the notion that Thailand needed a strong, centralized agency for development. The fact that then Prime Minister Sarit Thanarat simultaneously served as the first Minister of National Development underscores the central role intended for it.<sup>4</sup>

In large part the present movement toward decentralization may be viewed as a continuing reaction against the Sarit era. It was during that rule that most of the agencies that are now the object of change were either newly-created or transferred into their present administrative homes. In some proposals, such as those affecting the Budget Bureau, the suggested change would return the respective agencies to where they were located prior to 1959. The present efforts then can be viewed in large part as actions by the traditional, line bureaucracy to reassert itself against the forces of centralization.

Hypothesis II. *In a developing country such as Thailand governmental units identified as "development agencies" are likely targets of reorganization proposals.* In part this hypothesis cuts across the first one in that the development ministry in Thailand has already been identified above as a force for centralization and because some units in the Office of the Prime Minister--for example, the Board of Investment and the Office of Accelerated Rural Development--are also important development agencies. Nevertheless, there are additional characteristics of development agencies which make them especially vulnerable to calls for administrative reorganization.

For one thing development agencies are usually relatively young--many have been in existence less than ten years. Even those which might have a lineal descent from older agencies are likely to have been reconstituted when they were redefined as "development agencies." Such was

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<sup>4</sup> Its present Minister concurrently serves as a Deputy Prime Minister.

the case with the cooperative departments, the Highway Department, and so on. Another characteristic of development agencies is that they are likely to be more visible and receive relatively greater assistance--both domestic and foreign--than traditional agencies. This results from the priority given development within the economic and social planning of development countries.

A third characteristic contributing to the potential vulnerability of development agencies is that in their very creation they are likely to be given functions which cut across the lines of functional demarcation of the traditional bureaucracy. This is because of the emphasis on development as a whole rather than on functional specialization. For example the Office of Accelerated Rural Development by definition assumes activities which traditionally may have been dispersed among several ministries. Given the factors of newness, high visibility and violations of traditional functional lines characteristic of many development agencies, it is plausible to expect them to be targets of attack.

Hypothesis III. *Reorganization proposals are most likely to be directed at agencies in which there is considerable gap between expectations and performance.* Gerald E. Caiden cites the failure of an agency to meet demands as a primary cause of administrative reform.<sup>5</sup> This hypothesis appears to be a contradiction of the comment made in the previous section that the Thai bureaucracy does not tend to be program or policy oriented. However, in the context of this hypothesis "performance" is considered more generally than simply day-to-day administrative performance. That is, it relates to general characteristics such as the rate of economic growth, the scope of industrialization, balance of payments, increases in per capita income, etc. These lie at the heart of national development plans and very often expectations for significant improvement in each exceeds the ability of the nations to attain them.

In this broad context the promise - performance gap may not in fact be the fault of any given governmental agency. More fundamental economic and social factors may indeed be controlling the situation. But the generalized discontent may be channelled into specific attacks against the agencies whose activities touch on the general characteristics concerned. Development agencies in particular are likely to be in that position and thereby are likely to receive the brunt of the generalized discontent.

Hypothesis IV. *Discounting present agitation regarding centralized and/or development agencies, reorganization efforts in Thailand are most likely to take the form of enhancing or improving the status of the agency concerned.* The first three hypotheses are directed toward seeking explanations for the present efforts to attain dramatic changes in a large series of centralized agencies which in many cases are integral components of Thai national development. Whether correct or not, that movement is a thorough and consistent assault on the basis of the factors suggested in the previous hypotheses. Apart from this most important attempt to restructure the Thai bureaucracy, what could be called the normal, run-of-the-mill or usual efforts at reorganization are more likely to take the form of improving the status and prestige of an agency rather than diminishing it. In other words, the usual tendencies within the Thai bureaucracy are to increase the status of bureaucratic units and personnel. The high premium placed upon this makes it likely that in normal circumstances the given agency and its friends may claim a higher status. Potential enemies

<sup>5</sup> *Administrative Reform* (Chicago: Aldine Publishing Co., 1969), p. 131. See also Frederick C. Mosher, *Governmental Reorganizations: Cases and Commentary* (Indianapolis: Bobbs-Merrill, 1967), pp. 502-504.

are likely to remain silent rather than suggest a downgrading of the agency's position. It was previously noted that of the five reorganization proposals which did not involve centralized or development agencies four were clearly attempts to improve the agency's status. Fred Riggs suggests a similar conclusion in his analysis of the development of agricultural agencies in Thailand. He further notes that the upward shifts in status may be made without any corresponding increase in function or service. In that, it is a characteristic of the "bureaucratic polity."<sup>6</sup>

#### IV

In summary, this study presents a brief examination of a broad effort to reorganize the Thai bureaucracy. Special attention of those proposing reorganization has been directed at centralized agencies within the office of the Prime Minister and the Ministry of National Development. The agencies make up a preponderant share of the Thai bureaucracy involved with national development. Nearly all have been created or shifted into their present locations within the past ten years.

The study also presents and analyzes the reasons for reorganization as stated by the would-be reformers. Specific policy or program content or the desire to effect budgetary savings are not cited as reasons as often as might be expected. Rather the general and sometimes vague claims of duplication of effort or lack of coordination of effort are most frequently alleged.

To provide general explanations for the reorganization phenomena a series of tentative hypothesis are offered. Three of these are directed toward the major effort to reorganize centralized or development agencies. The fourth is addressed toward what is considered the normal or routine efforts at reorganization.

As stated at the outset this study is conjectural and tentative rather than in any sense a definitive answer to the questions raised by the reorganization movement. One area ignored that would be worthy of extensive treatment is that of the bureaucratic response to proposals considered inimical to an agency's interest. The strategy and tactics pursued to modify or deflect the thrust of reorganization proposals would be useful. The assessment of strategies and tactics as well as further explication of the other factors involved would be facilitated by the development of the case studies of individual reorganization efforts previously mentioned.

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<sup>6</sup> Fred W. Riggs, *Thailand: The Modernization of a Bureaucratic Polity* (Honolulu: East-West Center Press, 1966), p. 352.