

# **TRADE ASSOCIATIONS AND PUBLIC POLICY-MAKING IN THAILAND : A STUDY OF THE ATTITUDES OF BUREAUCRATS AND ASSOCIATION LEADERS**

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## **Introduction : A Model of Participation**

Considering the nature of the centralized public policy-making structure in Thailand, it can be assumed that the political executive and the central government bureaucracy will monopolize various stages of policy-making process. The trade associations, as groups organized and existing outside the bureaucratic channels, will be allowed only limited access at some points. They will also be encouraged to participate only at some stages. In this connection, it can be further assumed that they will tend to concentrate their interaction with political leaders and department heads, because it is from these officials that the associations can expect to obtain good results from the contacts. They will ignore such structures as the legislature, the judiciary and local authorities which play no significant role in the policy-making process. Table 1 presents a "Bureaucratic Elite Model" of public policy-making structure and process and possible access and participation of the trade associations at various points. The model lists the stages of policy-making process in a sequential manner, although the trade associations can theoretically seek to participate at any stage as the situation requires and opportunities permit. But the extent to which the associations will and can participate (as well as exert their influence) depends on a number of other factors including the attitudes of the bureaucrats towards associations participation, and the bargaining power the associations have at specific times and in specific circumstances.

**TABLE 1**  
**"BUREAUCRATIC ELITE MODEL" OF POLICY-MAKING**  
**STRUCTURE AND PROCESS AS APPLIED TO THE**  
**CASE OF TRADE ASSOCIATIONS**

<b>Process</b>	<b>Structural Participation</b>	<b>Possible Role of Trade Assoc.</b>
Signalling	Public Authorities & Trade Associations	Active, Encouraged
Initiation	Political Executive & Central Government Bureaucracy	Limited
Formulation	Political Executive & Central Government Bureaucracy	Limited to Advice, Small Concessions
Consultation & Negotiation	Political Executive, Central Government Bureaucracy, Trade Associations	Limited to Advice, Small Concessions, No Veto
Support & Approval	Political Executive, Central Government Bureaucracy, Legislature	Excluded
Implementation & Regulation	Central & Local Government Bureaucracy, Trade Associations	Cooperation, Non-compliance
Revision	Political Executive, Central Government Bureaucracy, Trade Associations	Limited to Advice
Judicial Recourse	Political Executive, Central Government Bureaucracy, Judi- ciary, Trade Associations	Possible, but Never Used

At the "signalling" stage, both the authorities and the trade associations can participate. Issues may be called to the attention of the authorities. They are, in Schmitter's word, "politicized"<sup>11</sup>. The participation of trade associations, if it occurs, is likely to be highly active at this stage. In some cases, it is even encouraged. However, the ability of the associations to force the authorities to take actions will be limited.

The political executive and the central government bureaucracy are major initiators of policy alternatives. Local authorities play only minimal role at this stage. The part played by the technocrats has yet to be studied though it is assumed to be high. Again the role of trade associations in policy initiation is limited.

The formulation of policy alternatives is almost completely monopolized by the central government bureaucracy. It is at this stage that inter-bureaucratic coordination is most evident. Policies are drafted by inter-ministerial and inter-departmental committees under the supervision of the political executive, to ensure that when they are eventually put into practice, these policies will receive support of all government agencies concerned. In the drafting stage, trade associations whose interests are likely to be directly affected by the proposed policy, may be invited to help study the draft and offer comments. Small concessions may be yielded to important trade associations to make the policies more practical when enforced. Consultation in the formulation of policies may be and often is sought. But regardless of whether the associations seek to be consulted or are invited for consultation, their role is limited mostly to giving advice. Rarely are they able to negotiate except on minor points, least of all to veto government proposals.

Support and approval of policies is the exclusive province of the political executive. The central government bureaucracy may enjoy this power within their delegated statutory jurisdiction. The legislature, when it exists, may be asked to legitimize the policies. Legislative approval is in most cases little more than perfunctory. Trade associations are completely excluded at this stage.

The stage at which trade associations can participate very actively in the policy-making process is in their implementation, i.e., when the approved policies (legislative enactments and executive decrees) are enforced. Cooperation is needed and sometimes essential from the associations whose members are to be regulated by the laws. Non-cooperation and non-compliance are the weapons the associations possess which they can use effectively to oppose the enforcement of some policies they disapprove but which they have no power to prevent them from being formulated in the first place. Complaints and protests from affected associations, on the other hand, provide a kind of feedback information which leads to possible revision of the policies. Again, advice of the associations may be sought. All failing, it is theoretically possible for affected associations to turn to court, but judicial recourse is likely to be adopted by the associations only in very rare cases.

In sum, in the Thai unitary state with a highly centralized government under the control of the bureaucratic elite, there exist relatively few formal access points and channels for participation, although informal, personalized relations can be utilized. The participation of trade associations in the public policy-making process will be limited to a few stages and may not be highly effective except in some situations.

### **The Bureaucrats' Attitudes**

Traditionally Thai bureaucrats have tended to treat merchants and businessmen as their inferiors. They have suspected "pariah entrepreneurs" because of their allegedly "disruptive" activities. But no study has yet been made on the

possible impact that the recent expansion of state activities in the economic field and the growth of commerce and trade have had on the attitudes of the bureaucrats towards businessmen. Especially, it is not known how the bureaucrats view the attempts by merchants to organize themselves, and what possible role trade associations should play in the public policy-making process.

A sample of 18 high-ranking bureaucrats below the ministerial level were asked a set of questions which are aimed at gauging their attitudes towards trade associations\*. Because of the increased government concern with the national economic development and the possible role of organized business in it, this question was posed to them: "Do groupings of businessmen and merchants, in your opinion, have effects on the national development? If yes, what effects? If no, why?"

All the bureaucrats interviewed answered in the affirmative, which indicates they were aware of the role played by organized business and commercial groups, although they might see the effects of groupings in a different light. (See Table 2). In general, the tone of their answers shows they have "positive" attitudes towards business associations; they regard them as "useful" to the government. As one official of the Ministry of Industry put it:

"I regard the associations as the instrument of public policy. The government can use them to implement economic policy. But they must not be used for political purpose".

Despite their recognition of the usefulness of business associations, the bureaucrats interviewed do not seem to trust them completely, however. For instance, one official in responding that business associations are useful for the government in the control of merchants, said: "...but they must not operate as trust, cartel, or engage in illegal business activity."

**TABLE 2**  
**BUREAUCRATS' VIEWS OF THE EFFECTS OF BUSINESS**  
**GROUPINGS ON NATIONAL DEVELOPMENT\*\***

Kind of Effect	Number of Mention (s)			
	1st	2nd	3rd	Total
1. They serve to regulate excessive competition, making merchants more responsible	1	1	-	2

**Note :** \* The interviews were conducted from January to September 1973.

\*\* The question "Do groupings of businessmen and merchants, in your opinion, have effects on the national development? If yes, what effects? If no, why?"

2. They serve as instruments of public policy, as go-between government and individual businessmen	7	2	2	11
3. They serve as a more reliable source of statistics and information	3	1	-	4
4. They serve to promote trade and increase bargaining power with foreign buyers of Thai products	7	1	-	8

The bureaucrats' "distrust" of trade associations brings up the problem of the legitimacy of the associations' demands. It is debatable whether "public interest" is a myth or reality, but the concept strongly influences the attitudes of Thai bureaucrats towards their own official and professional role. They view their role as the protector of the broader public or national interest. As such they tend to regard other "sectoral" interests as not always in the public interest and sometimes even as selfish and illegitimate. Although in performing their functions, the bureaucrats may not always think of the public interest as a guiding principle, that is another matter. Ideological beliefs and actual behavior need not be compatible, the discrepancy being caused by several other uncontrolled factors.

To find out how Thai bureaucrats perceive the "legitimacy" of the demands made by trade associations, the sample of bureaucrats were asked the extent to which they agreed or disagreed with the following statement: "Generally speaking, trade associations care for their own particular interests more than the common interests of the people in general".

Seventeen officials said they agreed with the statement, six strongly. Only one was uncertain. "That's natural." "That's always been the way." "There is a lot of truth in it." "It's characteristic of merchants." These are typical immediate reactions to the statement. One elaborated his point this way:

"The association members will care for their own interests first, for the association second, and for the society third. There is one exception, though. The Association of Thai Industries seems to have many "public-minded" leaders."

Some officials, citing their personal experience in dealing with trade associations even strongly criticized them. A Labor Department official, for example, described his feelings:

"From their reactions, the way they asked questions, and other expressions they displayed during the meetings, it can only be said that it's really "bad". The philosophy of doing business in Thailand is that the company is more responsible to the shareholders than to the society."

Another negative view of trade associations was given by a high official of the Revenue Department :

"Associations look at things from their point of views. They call their interests public interests. From my experience dealing with them, I would say some of their views are "ugly".

A number of officials with sympathetic attitudes towards the associations talked of the need to "change the attitudes" of merchants, to "educate" them, to "convince" them of the need to sacrifice some of their present interests for long-term ones. One bureaucrat however said that there is a limit to what the government can do to make trade associations more responsible to the society through the sacrifice of their own private interests. As he put it :

"Especially on the matter of tax collection. They want to pay less taxes. They appeal to the government for tax reductions and exemptions, all for their own interests. But we cannot force them to comply with our wish to collect more taxes. If the members of the associations see they do not serve them, they will quit. This may bring the collapse of the associations."

An official of the Ministry of Industry said he sometimes was sympathetic to merchants. Because of the country's political instability, he thought the trade associations probably had to think of the immediate interests of their members first.

The only official who was not sure of his attitudes explained that if the operation of trade associations is not harmful to the national economy they could not be accused of acting against the public interest. "Unless they engage in restrictive protectionist trade practices," he said.

Thai bureaucrats are not entirely against trade associations' participation in the making of public policy as such, but they prefer that it be limited to the presentation of facts, information and recommendations to the government. It is then up to the officials to decide which ideas will be accepted and acted upon. The sampled bureaucrats were asked how much they agreed with this statement : "If trade associations are given more role to play in the formulation of economic policies of the country, there will be fewer defects in such policies."

Five officials agreed with the statement as against nine who disagreed, one very strongly, and against four who were uncertain. The differences in the pattern of their responses seem to be determined by their interpretation of the meaning of the terms "policy formulation." One official who disagreed with the statement said he disliked the use of these terms because they suggested a situation in which trade associations take direct part in the drafting of laws, which to him, should not be permitted.

Most officials interviewed seemed to agree on one important point, that is, trade associations should be allowed to play some part in the formulation of policy, preferably in the advisory capacity. Those who agreed with the statement

thought such participation would make the policies more realistic and acceptable to merchants. One official said he agreed on one condition that the "quality" of trade associations be improved first.

Representation of trade associations on government committees which draft laws that affect the interests of merchants is opposed by most officials. They thought such access would tend to cause "confusion," or "more harmful than good effects." One official explaining his experience in allowing certain trade associations to participate in committee deliberations said: "They (association representatives) went out and disclosed all details of the meetings. That was disastrous." Other reasons for opposition to the associations' taking part in the work of the committees were well explained by another official in the Ministry of Finance:

"Associations are "lobbying groups." Their role is not to govern the country. As merchants they tend to see the problems from their own one-sided standpoint. I don't think they should be allowed to take part in the committees, especially those responsible for the drafting of laws. It is not appropriate to allow those who pay taxes to come in and decide how taxes are to be collected."

Having the work of his agency in mind, an official of the Ministry of Public Health expressed his view bluntly: "The work of trade associations is concerned with only small part of the overall public health plan. It is not so important."

A Board of Investment official objected to the participation of trade associations in the policy formulation because "This is a transitional period. We will only listen to their suggestions. They should not be allowed to take part in the making of policy. Maybe in the next decade."

Many bureaucrats opposed the participation because they viewed the interests of the associations negatively. This is evident in the responses of three officials quoted below:

**A Bank of Thailand Director:** "I never believe they want to help the public. I question their integrity. I don't agree they should be allowed to participate. We want to control the merchants; why should we allow them to take part in the deliberations?"

**A Ministry of Industry Official:** "From my experience, it serves little useful purpose in allowing them to participate in the committees. The associations are not composed of people with the same mind; they are not really representative. It's lucky enough that they can come together as groups....I have never seen they have been public-minded enough. They think more of their own interests."

**A Ministry of Industry Official:** "Merchants think more of their interests. They should not be permitted to participate in the formulation of policies. We used to encourage them to participate in other ways, like inviting them to meet with us occasionally....There is no committee in which they can participate...."

Even the officials who were ambivalent in their attitudes thought they could be broad-minded if the trade associations had the public interest in mind. As one Ministry of Commerce official explained :

"We can work together if we assume the associations are public-minded. But the policies may have defects if we act upon their recommendations without careful consideration."

Despite their opposition to trade associations' direct participation in the formulation of economic policies, the bureaucrats felt such policies could not be successfully implemented without their cooperation. This attitude was evident in the responses of the sampled bureaucrats to another question posed to them : "In its administration of the national economy, does the government, in your opinion, need the cooperation of the trade associations?"

Eight officials said the government "greatly" needs the cooperation of trade association; six said the need is moderate. Only four said there is little or no need for the government to seek their cooperation.

A reason most cited by the respondents is that the government needs the cooperation in order to "supervise" individual merchants. Trade associations can prevent them from engaging in excessive competition, and thus can help stabilize prices of commodities; and in the case of export trade, they can help increase bargaining power of Thai traders vis-à-vis foreign buyers of Thai products. Trade associations can also serve as an effective channel through which the government can communicate with individual merchants. As one official explained :

"It is difficult to control unorganized merchants. It is also costly for the government to contact individual merchants, even by sending out a single circular letter....."

Such cooperation was believed by another official as quite necessary for the implementation of government policies :

"Considering the nature of our present economic policies, it is very clear that we need their cooperation. Our contacts with merchants are almost 100 per cent made through the associations. For this reason, the government has encouraged them to be formed and to operate under certain regulations."

Assistance from trade associations in providing statistics and information for the government is also emphasized by several bureaucrats interviewed because, as one of them said, "They know the market movements very well."

The few officials who saw little or no need for the government to depend on the cooperation of trade associations were quite critical in their attitudes towards them. A high official of the Ministry of Commerce, for instance, expressed his opinion that the government has to apply pressure to make merchants do what the government wants them to do :



"We don't need their help. We have to force them to comply with the laws. If we cannot force them it is useless talking about seeking their cooperation. If we cannot order them, it means we have no power."

A high official of the Mineral Resources Department explained that his department did not enthusiastically seek cooperation from the mining associations in existence, because they are not "highly representative." Only small mining companies work through the associations; the large ones do not care about them, he said.

Most officials at the same time were critical of trade associations for their unwillingness to cooperate with the government. For this reason, although they felt cooperation is needed, many did not feel inclined to seek it. An official of the Ministry of Commerce who has had considerable experience working with several export-oriented associations even charged that the associations were "insincere" when they promised to cooperate with the government. "They told us the government policies were good, but they refused to help us carry them out." These associations, said the official, were led by Chinese merchants who were "little educated, very selfish, but very influential in the market."

Attitudes of the bureaucrats towards the "competence" of trade associations are also important in determining whether they would seek the assistance from the associations in carrying out government policies. This question was posed to the sample of officials to obtain their views: "Are most trade associations, in your opinion, competent to help the government in carrying out its functions?"

Seventeen gave affirmative answers to it, with twelve saying the associations are moderately competent, and five believing they are very competent. Only one said no. The criteria used by the officials to judge whether a trade association is competent are several. One criterion is the ability of the association to control and mobilize the members to assist the government, to serve as an "effective intermediary." An official of the Ministry of Commerce did not believe existing trade associations are capable of controlling their members.

Several other officials viewed the competence of the associations as depending upon the degree of their representativeness. Low degree of membership density reduces the capacity of the associations. This is especially true if major companies refuse to join the associations. Thus an official of the Mineral Resources Department who did not believe mining associations are competent to help the government explained:

".....That will depend on whether the associations can control their members. In the mining field, there is still a large number of mining companies which do not join the associations. They are thus not in a position to give help to the government if it asks for it."

This attitude was shared by another official of the Ministry of Commerce who however believed in the competency of the associations to help the government:

"If big companies join, the associations will be competent to help. But even so there are still many other non-members who would try to *lueykha samakom* (to saw off the legs of the association).

The officials interviewed also felt that the ability of the associations to assist the government depends also on whether the government policies are in conflict with the interests of the associations. A director of the Bank of Thailand, for example, said it would be rather difficult for the government to urge commercial banks to invest in the rural areas if they felt they did not get worthwhile returns from their investment. "But if we have good projects, the Thai Bankers Association can help. It is really competent to help if it wants to help."

Several officials interviewed thought if the government gives greater recognition to the associations and support their activities more, it can increase their capacity to assist the government, especially in providing needed information and in supervising the quality of products. Larger and more active associations like the Association of Thai Industries and the General Insurance Association were mentioned as the examples of those which possess technical skills and other resources which make them highly competent to help the policy-makers. Small associations were considered to be of little help in this aspect, which is hardly surprising. As one official said: "They lack the system for keeping the information. They can't give us much help. We have only "information fragments" from them,"

Bureaucratic norms and the sense of superiority greatly influence Thai officials' attitudes towards the ways trade associations approach them. Contacts through normal official channels are considered "correct". According to the sampled bureaucrats, the most "appropriate" method for the associations to contact them is to send representatives to meet and discuss the problems. Another approved method is to submit letters giving "good reasons" to support their request for help. Some officials preferred that the associations hold informal talks with them first, then follow up with letters after both sides agree there is some possibility for the requests to be taken up for consideration. One bureaucrat said he would not object to the use of telephone by the associations, which in other circumstances and for most officials would be considered very inappropriate.

The officials interviewed expressed their dislike for the use of "influence" by the associations to force them to do something. They did not like the associations which come in and "protest." They could not tolerate those who used "untenable" reason in arguing with them. One official said he did not like any association which tried to use newspapers to pressure him. Another said he would refuse to deal with any association whose members "gang up" to oppose the government policy. However, these officials admitted trade associations rarely showed "bad manners" when they came to contact them. It was common to see them "grumble," though, said one official.

On the whole, the Thai bureaucrats interviewed tended to see the trade associations as being more concerned with their particular interests. This attitude will pose a major obstacle to attempts by the associations to participate meaningfully in the policy-making process. It is necessary for the associations to justify their demands in terms of the benefit to the public if they are to be accorded legitimacy. As far as the policy formulation is concerned, the consensus of the bureaucrats interviewed was that trade associations should assist the government by providing it with information and recommendations. Most officials objected to the sharing of deliberative power with the associations. Although the officials felt the government needs the cooperation of trade associations, they deplored the fact that it does not come so easily. They thought the associations are competent to help the government, but their competence is predicated on several factors including organizational strength, the ability to control and mobilize members, membership density, and the absence of conflicts of interests between the government and the associations. The aloof character of Thai bureaucrats can be inferred from their views of what constitute appropriate and inappropriate methods the associations could use to contact them. All in all, the bureaucrats recognized the increasing role of the trade associations, but tended to consider them more as the instrument for implementing the government policy rather than as the organizations which could share the decision-making power with them on an equal basis.

#### **Association Leaders' Attitudes**

In general, the bureaucrats' suspicion of businessmen and their associations is reciprocated by a similar attitude. The existence of such mutual distrust was pointed out by none other than Mr. Thawi Bunyakhetu, a former Prime Minister and the first President of the Association of Thai Industries. In a speech he delivered at a seminar attended by high-ranking officials of the Ministry of Foreign Affairs on December 2, 1969, Mr. Thawi said in part :

"Although we have a democratic form of government, we still adhere to the principle that government officials are of higher status than, and are superior to the people. The officials do not try to listen to the opinion of the people who are owners of the country, which leads to the lack of good understanding between the government and the people. This is especially true with regard to the industrial sector. At present the industrialists do not view the officials in a positive way. At the same time the government looks at merchants and industrialists in a similar manner. In this atmosphere of mutual distrust, it is impossible for them to cooperate with each other..."<sup>2</sup>

Reports of trade associations are also replete with remarks which are critical of the government and the bureaucrats. The Thai bureaucracy has been criticized for its alleged unresponsiveness and inactivity. *Hai-ngiab* (literally meaning "disappearing without sound") is the term often used by the trade associations to

describe the situation in which proposals they submitted to the government agencies received no reactions. For example, the president of the Thai Pharmaceutical Manufacturing Association told its members about the failure of the association's executive committee in appealing to the Ministry of Public Health and the Ministry of Economic Affairs to revise tax rates levied on locally produced drugs : But I am sorry to inform you that there has been no reaction whatever from the government on this matter."<sup>3</sup>

The feeling that the government is inattentive to their opinions or requests has created in the associations a strong sense of frustrations. "We have tried to appeal..." is a statement typically found in most reports of the associations. Frustrations sometimes led to the condemnation of the bureaucratic system as a whole. In its 1970 annual report, the Association of Thai Industries charged the government with being hypocritical and the bureaucrats with being corrupt. The report said the government had not tried hard enough to help local industry despite its promises, but instead continued to purchase foreign-made products. Government officials concerned were accused of being "cunning" in defending their actions. The association's president then told its frustrated members :

"The association has tried its best to solve the problem of the members, but it has failed because the government is so corrupt. We should not expect too much from it. But this does not mean that the whole system is totally corrupt; there are still many good government officials."<sup>4</sup>

The association's secretary-general thus urged that the association increase its organizational strength in order that "we can sit and talk with the feudalistic bureaucrats."<sup>5</sup>

Only few associations were as aggressive as the Association of Thai Industries in their criticism of the government, however. Most other tended to take their failure to stimulate the bureaucrats with fatalistic resignation. For example, in 1972 the Coffee Traders Association sent an appeal to the government asking for increases in the prices of coffee drinks, with full expectation that it would receive no consideration.<sup>6</sup>

Trade associations have also developed submissive and deferential attitudes, which are found rather common among old Chinese-dominated trade associations. The associations would try to impress government officials with their willingness to help. They would also attempt at the same time to avoid conflicts with the officials. Once the General Insurance Association published a protest note against the government policy in a newspaper. The association was opposed to the establishment of the Workman's Compensation Fund in the Labor Department which, it alleged, would compete with the private insurance business. It decided to withdraw the note when it felt the words used in it were "too strong" and might "antagonize" the government.<sup>7</sup>

Indeed, one cannot read reports of trade associations without feeling struck by the frequent use of deferential terms in addressing the government or individual bureaucrats. The officials would be praised as "very kind" to the associations if they assist them, agree to consider their requests, or invite them for consultation. The associations are "very grateful" or "greatly indebted" to senior officials who are called the *phuyai* (superior) because of their "compassion" in their support of the associations. High officials are also called by such honorific terms as *than* or *phana* (excellency). The associations are "greatly honored" by the official invitations to take some part in the making of policy, etc.

The deferential attitude shown was best illustrated by the case of the Underwriters Association which invited the Police Chief to speak at a monthly luncheon of the association in early February 1972. In his speech welcoming this politically powerful guest, the association president said in part :

"Seldom is the association honored to welcome a guest who is so full of kindness and good intention for the association. The association has received the kindness of His Excellency Police General Prasert Ruchirawongse who accepted the invitation to grace the occasion. As most of us present here are commoners, we have had rare opportunities to be close to the *khun-nang* (nobles) who are the pillars of the Land such as His Excellency. For this reason, everyone is overwhelmed and thankful..."<sup>8</sup>

The expression of such deferential attitudes may sound extreme, but it is not unusual for some special occasions. It is rare for political leaders to attend social functions of the trade associations. Their attendance, when it occurs, is considered a great honor--and a triumph--for the associations which will pour out all humble words that best convey their great appreciation.

The deference of trade associations is usually well reciprocated by bureaucratic paternalism. It is quite common for high officials to give paternalistic advice to the associations. For instance, when the Chief of the Insurance Office of the Ministry of Commerce attended a meeting of the General Insurance Association, his presence was praised for doing the association a great honor. Invited to address the meeting, the official exhorted the association members not "to act like a child, but try to solve the problems like an adult."<sup>9</sup>

How are trade association leaders' attitudes towards public policy-making affected by the awareness of their subordinate position to the bureaucrats as expressed in their submissiveness and deference discussed above? Surprisingly, interviews with 56 trade association leaders reveal that they tended to have positive view of the role of businessmen and trade associations.\* As Table 3 shows, all trade association leaders interviewed believed businessmen can play a positive role in "signalling"

\* The interviews were conducted in the same period as those of the bureaucrats.

problems to the government. The president of a manufacturing trade association explained the importance of this monitoring role :

"...The government must take into consideration all the facts given by the entrepreneurs together with those gathered by the government itself so as to carefully make the economic policy."

**TABLE 3**  
**TRADE ASSOCIATION LEADERS' PERCEPTION OF**  
**THE MONITORING ROLE OF BUSINESSMEN**

**Statement :** "Businessmen should try to constantly bring the problems of trade and business to the attention of the government."

<b>Answer</b>	<b>No (%)</b>
Agree Very Much	13 (23.2)
Agree	43 (76.8)
Undecided	-
Disagree	-
Disagree Very Much	-
Total	<u>56 (100.0)</u>

Trade association leaders also believed that merchants and businessmen should have some role to play in "initiating" solutions to national economic problems. The interviewees thought it was not right that the initiation should come only from the government. (See Table 4). As one pharmaceutical association's president put it :

"The government knows only the theory, but little about the practice. It is impossible for it to have better knowledge of the real situations than those who have been directly engaged in business. If the government is the only party to make the initiation, its actions are bound to lead to errors."

**TABLE 4**  
**TRADE ASSOCIATION LEADERS' PERCEPTION OF**  
**THE ROLE OF BUSINESSMEN IN POLICY INITIATION**

**Statement :** "The government should be the only party to initiate any solutions to economic problems of the country."

<b>Answer</b>	<b>No (%)</b>
Agree Very Much	-
Agree	-
Undecided	-
Disagree	48 (85.7)
Disagree Very Much	<u>8 (14.3)</u>
Total	<u>56 (100.0)</u>

Similarly, trade association leaders interviewed felt that the government should be broad-minded enough to allow the associations to take part in the "formulation" of policies (See Table 5). The leader of a service trade association said that the government should invite his association for consultation before it passes any law or makes any decision which affects the interests of association members. "It should at least send letters to ask for our opinion," he added.

**TABLE 5**  
**TRADE ASSOCIATION LEADERS' ATTITUDES TOWARDS**  
**ASSOCIATIONAL PARTICIPATION IN POLICY**  
**FORMULATION**

**Statement :** "In drafting policies, bills and various regulations concerning business and trade, the government should allow the trade associations whose interests are affected to participate in it."

<b>Answer</b>	<b>No (%)</b>
Agree Very Much	15 (26.8)
Agree	41 (73.8)
Undecided	—
Disagree	—
Disagree Very Much	—
Total	<u>56</u> (100.0)

Most trade associations seem to be particularly interested in getting the chance to participate in the drafting of public policy. In March of 1972 the Revolutionary Government was drafting a new law to restrict aliens from engaging in certain occupations. A group of 15 trade associations met on March 16 to discuss possible effects the proposed law might have on their members. They agreed that because of the importance of the law, the group should appeal to the government to invite them to take part in the drafting. The meeting voted to send a letter to the government to inform it of the group's wish.<sup>10</sup>

The leaders of trade associations believed their associations are "competent" to help the government if it asks for their cooperation (See Table 6). One however said the government could use the law to force the associations to cooperate with it. The interviewees also thought that trade associations are necessary institutions which can help the government in articulating economic problems facing the country. Only one respondent said he was not so sure about it (See Table 7)

**TABLE 6**  
**TRADE ASSOCIATION LEADER' PERCEPTION OF**  
**THE ASSOCIATIONS' COMPETENCE TO ASSIST**  
**THE GOVERNMENT**

**Statement :** "The government can always ask and obtain help and cooperation from the trade associations."

<b>Answer</b>	<b>No (%)</b>
Agree Very Much	6 (10.9)
Agree	49 (89.1)
Undecided	-
Disagree	-
Disagree Very Much	-
Total	<u>56</u> (100.0)

**TABLE 7**  
**TRADE ASSOCIATION LEADERS' PERCEPTION**  
**OF THE NECESSITY OF THE ASSOCIATIONS**  
**AS ARTICULATORS OF ECONOMIC PROBLEMS**

**Statement :** "Trade associations are necessary institutions which can help the government to better recognize the economic problems of the country."

<b>Answer</b>	<b>No (%)</b>
Agree Very Much	7 (12.5)
Agree	48 (85.7)
Undecided	1 (1.8)
Disagree	-
Disagree Very Much	-
Total	<u>56</u> (100.0)

While the government officials interviewed tended to suspect the motives of the trade associations, surprisingly the sampled trade association leaders thought the government did not view their activities with much suspicion. (See Table 8). This rather positive attitude may be explained by the fact that the bureaucrats somehow still think of the operations of trade associations as activities of individual businessmen, whereas the trade association leaders distinguish between the two. Since the associations have to operate under certain regulations and are not supposed to engage in the activities disapproved by the government, in their leaders' opinions there is no reason for them to be suspected. "We try to help those members who



are in troubles. We are not anti-state," explained the leader of a commercial trade association. The president of a manufacturing trade association stated that because his association always presented wellreasoned recommendations to the government and "did not engage in politics," he believed the government would not construe its activities as attempts to influence the government in improper ways. Another commented: "When we grow up we do not judge things on the yes-or-no basis." Two trade association leaders however thought that government officials often suspected the associations of taking advantage of the situations.

It should be cautioned that the question asked on the issue of influence is rather sensitive. As a result, it may not elicit frank responses from the interviewees, except some of them.

**TABLE 8**  
**TRADE ASSOCIATION LEADERS' PERCEPTION OF**  
**GOVERNMENT OFFICIALS' ATTITUDES TOWARDS**  
**ASSOCIATIONAL ACTIVITIES**

**Statement :** "Normally, most government officials tend to think of the activities of most trade associations as the attempts of the associations to influence the government in improper ways."

<b>Answer</b>	<b>No (%)</b>
Agree Very Much	1 (1.8)
Agree	1 (1.8)
Undecided	1 (1.8)
Disagree	48 (85.7)
Disagree Very Much	<u>5 (8.9)</u>
<b>Total</b>	<b><u>56</u></b>

Finally, an important issue which is often raised in the discussion in Thailand is that individual merchants and businessmen who have good connections with certain influential politicians can get things done without having to use associations. It is quite surprising to discover that most of the trade association leaders interviewed tended to believe that individual entrepreneurs have to depend on the associations. (See Table 9). Several thought "group formation" among merchants has become a new trend. A few even said if this does not go fast enough, the government should intervene by passing the law to force them to form associations so as to prevent destructive competition. Here are some examples of their responses :

-- **President of a manufacturing trade association :** "Now you have to earn your living as groups."

-- **Director of a commercial trade association :** "You can't depend on individual contacts. If the influential persons are gone, so are you."

-- Director of a manufacturing trade association : "In matters which affect the collectivity you have to depend on the association."

-- President of a commercial trade association : "In several cases, the voice must come from the association as a whole to carry any weight."

**TABLE 9**  
**TRADE ASSOCIATION LEADERS' PERCEPTION OF THE**  
**NEED OF INDIVIDUAL BUSINESSMEN TO DEPEND ON**  
**THE TRADE ASSOCIATIONS**

**Statement :** "Companies, businessmen and traders who can establish direct contacts with certain government officials do not need to depend on the trade associations."

<b>Answer</b>	<b>No (%)</b>
Agree Very Much	-
Agree	-
Undecided	1 (1.8)
Disagree	53 (94.6)
Disagree Very Much	<u>2</u> (3.6)
Total	<u>56</u> (100.0)

### Footnotes

1. Philippe C. Schmitter, *Interest Conflict and Political Change in Brazil* (California : Stanford University Press, 1971), p. 249
2. Thawi Bunyakhetu, "Accelerating Development in Industry and Investment, *Journal of the Association of Thai Industries* (March-May, 1970) : 46 (Thai).
3. Thai Pharmaceutical Manufacturing Association, *1969 Annual Report*, p. 1.
4. Association of Thai Industries, *Report of the 5th Annual General Meeting 1970*, p. 9
5. *Ibid.*, p. 11.
6. Coffee Traders Association, *Report of the Annual General Meeting 1972*, n. p.
7. General Insurance Association, *Report of the 6th Annual General Meeting, 1972*, p. 8
8. *Underwriters Association News*, No. 1, 1972, p. 33 (Thai)
9. General Insurance Association, *Report of the First Annual General Meeting, 1967*, p. 5
10. *Thai Industry*, 3, No. 63 (April 1, 1972); 38 (Thai)