

# STRUCTURAL PROBLEMS IN THE GOVERNANCE OF BANGKOK

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## Introduction

There is little doubt that present-day Bangkok, capital of the Chakri dynasty, suffers from most of the known ills of urbanization : severe environmental pollution, heavy traffic congestion, poor sanitation and health conditions, inadequate drainage, slums and substandard housing, a rising crime rate, a general absence of city planning, and, underlying all this, inadequate resources to remedy the situation. The popular perception is that Bangkok's ills derive in large part from poor government--from lack of a central coordinating agency and lack of consistent policies and plans. As a result, attention has focused in recent years on the issue of metropolitan reform. Discussion has centered on the question of how to reorganize the system of government and administration: whether to centralize or decentralize, and what should be done with the BMA (the Bangkok Metropolitan Administration, which is the official local government)?

In our view, discussions of whether to centralize or decentralize are entirely misdirected. They are misdirected because they fail to take into account the central defining property of the present-day government of metropolitan Bangkok, which is of critical importance in any consideration of reform or reorganization. Unless this factor is accorded due recognition, reform proposals are likely to be meaningless, for they ignore the facts of the situation.

The central defining property of the government of metropolitan Bangkok is "control *by exception*." That is, government agencies function routinely in

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accordance with a prescribed set of rules and regulations; but when anomalies occur, or special conditions arise, the central government intervenes and assumes decisional control. Governance is widely diffused among a large number of public agencies, including national ministries, state enterprises (which are controlled by the ministries), and BMA -- the so-called local government. No single agency is responsible for overall policy formulation and implementation in Bangkok. Instead, each functions within its assigned sphere of jurisdiction, according to a set of well-established routine operating procedures. Only in *exceptional* circumstances -- those that have important policy consequences, that involve large fiscal expenditures, or that have no precedent (are not contained in the regulations) -- does the cabinet intervene as the nation's highest level decisionmaking body. In this sense, local government is indistinguishable from the national government.

### **The Structure of Metropolitan Government**

The proliferation of public agencies providing services to the inhabitants of metropolitan Bangkok presents a kaleidoscopic impression. In fact, however, there are 3 main types of agencies : agencies of the central government, state enterprises belonging to the central government, and local government or BMA. The last plays but a minor role with respect to total policy outputs. In fiscal terms, BMA's share of governmental allocations for Bangkok amounts to no more than 15 percent of the total, which is to say that no more than one-seventh of all budgetary appropriations for Bangkok is spent by the local government. *De jure*, BMA is endowed with a broad charter for provision of public services, but in practice, its activities are concentrated in only four areas : roads, primary education, public health and sanitation, and drainage. Even in these areas, however, local government activities are overshadowed in scope and magnitude by central government agencies and state enterprises.

The fact of the matter is that, with the exception of sanitation and drainage, for which BMA has sole responsibility, all major public services in metropolitan Bangkok are either provided by both local and central government, with the latter assuming the lion's share, or they are provided by state enterprises. In Bangkok, local government has nothing to do with : fire protection, public safety (the BMA police are there only to enforce local ordinances), public transportation, public housing, utilities, pollution control, or the judicial system. Instead, six central government ministries (Interior, Communications, Health, Education, Industry, and

Justice) and a large number of state enterprises<sup>1</sup> provide these and other services to metropolitan Bangkok.

What is noteworthy about the structure of Bangkok government is that there exists no locus of decisionmaking authority with respect to public policies, except when the cabinet intervenes. Bangkok presents a rather unusual instance of *absence* of government, in the sense that there is no single government unit that is invested with overall responsibility for policy formulation and that is accountable to the public. When reference is made to the government of Bangkok, the referent is generally assumed to be BMA; but such an assumption is simply in error. BMA is no more than an appendage of the central government, and quite specifically, of the Ministry of Interior.

### Central Government's Powers of Control

**General Powers.** That the Prime Minister and his cabinet exercise policymaking initiative with respect to Bangkok is perhaps to be expected in a hierarchical regime. But it is the degree to which they do that is rather extraordinary. This state of affairs can be attributed to a variety of factors. Historically, the Thai political culture has not accommodated itself to such concepts as citizen participation or the participation of organized groups, either in the process of government or in the formation of public policies. The notion of separation of powers, e.g., is little more than a figment of the imagination. The judiciary is an integral part of central government; and the legislature so under the domination of the central government that it may be dismissed from serious consideration.

The great majority of all policies emanate from the Prime Minister and his cabinet. The reason for the preeminence of the cabinet has to do with assignment of farreaching powers that insure its domination over the policymaking process. That is, the Prime Minister and his cabinet possess formal powers that, by law, extend to all public agencies, whether at the local or central level, including state enterprises. These powers effectively secure the compliance of administrators, and they determine the nature and direction of agency spending. We are referring here to the cabinet's control over senior appointments, fiscal control over certain classes

1. For example, the Metropolitan Electricity Authority, the Metropolitan Waterworks Authority, the Telephone Organization of Thailand, the National Housing Authority, the Bangkok Mass Transit Authority, the Expressway and Rapid Transit Authority, the Port Authority, the Industrial Estate Authority of Thailand, to name just a few.

of expenditures, control over the negotiation and deployment of foreign loans, and control over policy decisions that are considered to materially affect the people's welfare or the nation's internal stability.

All senior appointments at level 10 and above must receive cabinet ratification. In effect, this means that all appointments at the level of director-general and above are subject to cabinet scrutiny. In the case of state enterprises, the cabinet appoints the board of directors, who then are empowered to appoint a managing director, subject to cabinet ratification. The case of local government is somewhat different. The BMA Act of 1975 provides for the popular election of a Governor and four Deputy Governors. In practice, however, Governors and their Deputies have been appointed, not elected, because Ministers of Interior have chosen to exercise their powers of dismissal (a provision of the 1975 Act) to remove not only elected BMA executives but the metropolitan assembly as well. In the decade that BMA has been in existence, there have been 9 Governors, only one of whom was elected (Governor Dhumnoon Tien-ngern of the Democratic Party was in office for 18 months in 1975-1977).

As regards fiscal control, all expenditures in excess of 8 million baht (U.S. \$ 348,000) must go to the cabinet minister in charge for approval. In BMA's case, requests are directed to the Minister of Interior.<sup>2</sup> This means that, even when a budget has been certified, certain categories of expenditures are still subject to cabinet approval. In practice, cabinet approval of expenditures has meant the power of review and reconsideration; and the ability to delay any major action. Prior decisions may even be revoked--a distinct probability, given the instability of Thai cabinets, whose average life expectancy is somewhat less than a year.<sup>3</sup>

The cabinet authorizes agencies to negotiate for foreign loans, and it ratifies those loans when they have been negotiated. Moreover, once loan agreements have been concluded, the cabinet must approve individual project expenditures, as well as the award of contracts. Examination of the development budgets of almost all government agencies and state enterprises shows, quite unsurprisingly, their dependence on external (foreign) loans. For example, the Metropolitan Electricity Authority's capital budget for 1977-81 was in the order of 2.86 billion baht, of

2. Office of the Prime Minister, *Rabieb Wa Duay Karn Pasdoo*, B.E. 2523, pp. 73-74 and BMA, *Rabieb Karn Boek-Jai*, B.E. 2523, pp. 19-22.

3. Since the October Uprising of 1973, which brought about the downfall of the Thanom-Prapass government, Thailand has had 6 different Prime Ministers and 13 changes of cabinet.

which 1.3 billion consisted of loans from abroad (primarily the World Bank), with an additional 275 million baht subsidy from the central government. During 1974–79, the capital budget of the Metropolitan Waterworks Authority amounted to 4.28 billion baht, 1.11 billion of which was secured from the World Bank, 396 million from the Asian Development Bank, and 1.9 billion from the central government. Approximately half of the Telephone Organization's 3.06 billion baht capital budget in the period 1972–77 was raised through foreign loans. And half of the Expressway and Rapid Transit Authority's operating budget derives from foreign sources, primarily from the Japanese Government's Overseas Economic Corporation Fund (OECF).<sup>4</sup> The extraordinary dependence on foreign loans and the cabinet's powers with respect to the procurement and deployment of those loans, allow it to exercise a rather formidable decisionmaking authority over the direction of agency spending, and over policy initiatives that emanate from agencies.<sup>5</sup>

**Control over Local Government.** In reviewing specific aspects of the central government's control over local government, we note that first and foremost, the Governor of BMA is answerable to the Minister of Interior. In fact, eight of the last nine Governors have been appointed by the Minister of Interior, whose powers derive from the provisions of the Bangkok Metropolitan Administration Act of 1975. According to Articles 30 and 43 of the 1975 Act, the Minister of Interior has the prerogative of dismissing the BMA Governor, the four Deputy Governors, and the Bangkok Metropolitan Assembly -- a power which has been invoked repeatedly. Article 87 stipulates that BMA is accountable to the Minister of Interior; Articles 81 and 84 give the Minister the power of fiscal regulation. Thus, the 1975 Act places local government under the firm control of Interior:

4. These figures are taken from annual reports of the state enterprises.

5. Another reason for the cabinet's pre-eminence in policy-setting has to do with the fact that membership of Thai cabinets is drawn almost exclusively from the higher ranks of the civil service and the armed forces. Hence cabinet ministers already possess authority and status *within* the bureaucracy; and they carry it with them when they join the cabinet. The deference to hierarchical status and to authority of incumbency that is characteristic of the Thai bureaucracy is extended also to cabinet ministers: -- in virtue of the position they occupy and their ascriptive status as senior civil servants. (See, for example, William J. Siffin, *The Thai Bureaucracy: Institutional Change and Development* (Honolulu: East-West Center Press, 1966), and Fred W. Riggs, *Thailand: The Modernization of a Bureaucratic Polity* (Honolulu: East-West Center Press, 1966).)

in terms of its charter, and its operations, it is no more than an appendage of the Ministry of Interior.

The central government controls BMA policy outputs in quite another fundamental manner : it determines a significant proportion of BMA's budgetary expenditures through the provision of earmarked supplementary grants. Approximately one quarter of BMA's annual appropriations consists of supplementary funding from the central government. In the past, such funds have been earmarked for specific purposes. The fact that almost half of BMA's budget goes toward public works (mainly roads) and education is no accident : in recent years, central government funds have consistently been earmarked exclusively for roads and primary schools. Thus, the emphasis of local government with respect to policy outputs is, in this sense, determined by the central government.

BMA is relatively powerless vis-a-vis the central government, its functions circumscribed, and its autonomy severely restricted by the Ministry of Interior. But this description does not give the entire picture. Local government can be strengthened, or it can be weakened, by central government policies. To the present, there has been no move to strengthen local government. One of the reasons for this is rather obvious : to do so would be to weaken central government jurisdiction. -- And this is quite unacceptable insofar as it means giving up control of Bangkok. Hence, BMA has been relegated to the status of a line agency, with one profound effect : BMA has little control over decisions having to do with the Bangkok metropolis. Whether to expand the present airport facilities or to build a new airport; where to put the expressways; whether there should be a mass transit electric rail system; where to put new public housing; whether to limit the number of private motor vehicles that are allowed to enter certain sectors of the metropolis -- all of these are important policy decisions affecting the lives of the inhabitants of Bangkok; but BMA plays a negligible role in the policymaking process

Even more revealing of the central government's disregard for the local government of Bangkok is the fact that it has deliberately refrained from assigning new functions to, or placing new programs in, BMA. The last decade has seen the creation of 3 major state enterprises (the National Housing Authority, the Expressway and Rapid Transit Authority of Thailand, and the Bangkok Mass Transit Authority) all of which operate either primarily or entirely within the Bangkok metropolitan area. Each could have been, but none was, attached to BMA. Even when loan agreements require the creation of new units within BMA, the units are accorded only a token recognition. For example, in deference to conditions attached to a recent World

Bank loan for traffic regulation, a traffic engineering division was created within BMA by a Ministry of Interior directive, -- but almost the entire loan went to the Office of the Commission on Traffic Regulation, a new unit in the Ministry of Interior, whose primary function has been to negotiate and administer the loan.

Moreover, in crisis situations, the central government invariably steps in and assumes direct control. For example, the problem of flooding is clearly within BMA's operational jurisdiction. But it is quite the rule to see the Prime Minister take command of flood administration, and issue instructions for relief measures. This is usually a temporary act, but it removes BMA as an authoritative actor. When parts of the metropolis experienced sudden and severe flooding in October 1980, the Prime Minister, General Prem Tinsulanond, at once ordered the establishment of a temporary "Center for Flood Relief," headed by Colonel Surayut Chulanont, of the Office of the Prime Minister. With authority centered in that office, BMA became a line subordinate.

The central government's relative lack of regard for BMA may derive in part from the reputation that BMA has created for itself. The popular image of BMA is that of a lack luster, do-nothing, highly traditional organization, less competent technically than other governmental units, and torn by internal dissent. Conflict within BMA centers around the Governor and the City Clerk. Bureaucratic politics consume staff energies, and there is a constant jockeying for key positions. It is not difficult to identify those BMA bureaucrats in "the Governor's faction" and those in "the City Clerk's faction." The discord is generated in part by BMA's formal structure, centering around the powers of appointment vested in the Governor, and those vested in the City Clerk. More important, however, is the fact that the Governor, a political appointee, has tended to enjoy rather short periods of tenure (one year, on average), owing to the instability of Thai cabinets, whereas City Clerks are far less subject to political vagaries. Although the Governor is the City Clerk's superior, his authority has been undermined by the general expectation that his term of office will be brief.

**Control over State Enterprises.** Just as local government is no more than an extension of, and is completely dominated by, the central government, so are the state enterprises firmly under central government control. Thai state enterprises are by no means independent authorities. Each is attached to a ministry. The board of directors are cabinet appointees. The strong ties which state enterprise boards have to the bureaucracy become clear when one examines

board membership : membership generally consists almost entirely of senior civil servants (or retired civil servants and members of the armed forces.) -- Board memberships, in fact, constitute a reward for high office. The chairman of the board is likely to be a Permanent Secretary of a ministry, or a senior general, air marshal, or admiral. Board members are usually senior bureaucrats or high ranking members of the armed forces, or retired senior civil servants. This being the case, state enterprise boards of directors are quite likely to be compliant executors of central government policy.

Apart from the fact that membership of state enterprise boards tends to be so constituted as to be indistinguishable from the regular line bureaucracy, there is also the fact that many state enterprises fall under central government control with respect to policy decisions because they depend on the central government for subsidies. The need for subsidies is a constraining factor. Central government decisions to grant, or alternatively to withhold, subsidies act as a powerful influence on agency decisions. And as we mentioned earlier, almost all state enterprises depend on foreign loans for their capital budget, which, as we have seen, places them under the direct control of the cabinet.

Additionally, the state enterprises that operate in Bangkok provide public services of one form or another that involve user charges -- e.g., water rates, electricity rates, bus fares. The setting of rate structures is regarded as so important a policy decision that the cabinet has reserved the right to determine rates, even to over-rule, the decisions of commissions formally authorized to set rates. Bus fares are an interesting case in point. In February 1981, the Commission on Land Transport authorized BMTA, the state enterprise which runs the buses in Bangkok, to increase its fares from 1.00 baht (U.S. \$ 0.046) for the first ten kilometers of travel to 2.00 baht. The decision met with immediate and vehement protest from student groups, organized labor, and the press. In the face of mass public reaction, the cabinet, *not* the Commission on Land Transport, subsequently ordered BMTA to lower its fares to 1.50 baht for the first ten kilometers of travel.

### **Commentary**

Local government in the sense of grass roots participation is quite foreign to the Thai political culture and context. In fact, the current structure of Bangkok government, where power is concentrated at the cabinet level, is well in line with the traditional system of government -- with power hierarchically arranged and centered in the person of the monarch; only now, of course, it is the Prime Minister and his cabinet.



What is problematic about such a system? In the face of complexity and uncertainty, what is required of modern day administrative systems is that they be able to respond effectively to challenges from the environment. But the system that characterizes Bangkok falls far short of this requirement : it is quite inflexible, and, more importantly, it is error prone. Its error prone tendencies arise from a centralized decision system, which reserves to itself the power to intervene and decide. The Prime Minister and his cabinet are the chief policymakers in Bangkok. And this has negative effects.

First, the cabinet is primarily concerned with national interests, not those of Bangkok. So, for example, in recent years, national policy has emphasized the promotion of rural development; and, in principle, a more equitable redistribution of wealth. This has meant more support for the provinces and less for Bangkok. Policy priorities dictate that large capital investment projects be channeled to rural areas, rather than to the capital city. There remain, however, serious problems in Bangkok (e.g., traffic congestion, flood control, garbage disposal, slum clearance, air and water pollution) for which minimum support is granted. While this is understandable as a matter of cabinet perspective, when the cabinet does intervene in Bangkok it frequently exacerbates problems, assigns tasks without provision of adequate resources, weakens an already weak agency, and vacillates with respect to important policy decisions.

Second, the cabinet has to attend to numerous other policy areas. Quite naturally, and in fact, the affairs of Bangkok have become peripheral to its deliberations. Specific issues requiring immediate decision appear from time to time on the weekly agenda, but there are no built-in procedures or mechanisms to ensure that attention be paid to overall policy determination. In consequence, policy initiatives in Bangkok have taken on a rather haphazard, certainly uncoordinated, appearance.

Third, the cabinet is frequently required to make decisions for which it has insufficient technical expertise. Many so-called "policy" decisions do not involve disagreement over values or goals or preferred future states. On these, consensus already obtains. It is over the choice of instruments or means that most uncertainty exists. But to move decisions to the cabinet simply means that issues requiring highly developed technical competence (or in-depth information) are decided by a political body that does not have that expertise (or time to absorb the information). Such a circumstance inevitably conduces to error prone decisions--outcomes which a poor economy can ill afford.

Reform proposals generated by government appointed advisory committees have examined a number of alternative models of metropolitan government. All proposals, however, have recommended increased central government control over metropolitan government, ignoring the fact that the cabinet already exercises such control.<sup>6</sup> The issue remains, and the question is, what is an appropriate governmental structure for Bangkok. Although we do not offer specific recommendations in this paper, we do offer some cautionary notes that may inform the selection of reform strategies.

Proponents of reorganization of metropolitan government are by no means agreed on what should be done. Two sharply divergent views exist. On the one hand, government appointed committees believe that the present fragmented structure is undesirable. Their solution is to create a central ministry for Bangkok, to include not only BMA but also relevant state enterprises. In fact, this proposal would do away with local government entirely. The governance of metropolitan Bangkok would become a central government function. In opposition, many academics and a significant portion of the press favor retaining the Bangkok Metropolitan Administration in its present form, and reinstating the provisions of the 1975 BMA Act which call for the election of the Governor, Deputy Governors, and metropolitan assembly, -- a move that would in effect enhance local government autonomy.

Each of these views suffers from critical defects, and each misses the point. The first view is based upon a faulty theoretical notion, while the second ignores important political realities that must be treated as parametric constraints.

The creation of a ministry for Bangkok assumes that such a centralizing move will improve the coordination of public services, as well as reduce inter- and intra-agency conflict. The principle that underlies decisions to centralize is one of *coordination through hierarchical control*. Given the presence of a single, unitary command, problems of coordination disappear, or so it is thought. Coordination is to be achieved through control, with all communications channeled "to a central (superordinate) decision node, which is to do the "coordinating". In the case of Bangkok, presumably the Minister for Bangkok and his staff are to perform this function. The problem is that there are serious theoretical -- and empirical -- objections to this

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6. See, e.g., Working Papers 1-3 of the Committee on Metropolitan Government Reform, chaired by the then Deputy Minister of Interior, Dr. Kasem Sirisampan, January - February 1981.

conceptualization. In fact, recent public administration writings have argued persuasively against the notion of coordination through hierarchical control. Moreover, there remains the problem of cabinet control. Creation of a ministry for Bangkok in no way reduces the likelihood of cabinet intervention in policymaking and implementation. Most of the shortcomings of the present centralized decision system remain.

As regards proposals to strengthen local government or to render it more autonomous, it is quite unlikely that any central government, whether self-appointed or popularly elected, will give up control of Bangkok. There is a great deal of truth to the familiar cliché that "Bangkok is Thailand." Therefore, no central government is likely to allow popular elections either for the Governor or for the BMA Assembly. Historically, Bangkok voters have supported opposition parties, and the cabinet is not prone to give them any political advantage. In the only popular election that BMA has had in the decade that it has been in existence, a Governor was elected from the Democratic Party, then the chief opposition party in the national parliament. Were elections to be held today, the likelihood is that Bangkok would elect a Governor from the Prachakorn Thai Party, an opposition party. In the past, the central government has proved that it would not tolerate the continued presence of an opposition party in control of BMA -- even though the net effect was more a nuisance, a thorn in the government's side, than an actual threat to its power. There is no reason to believe that the central government is about to alter its position. Any reform proposal that does not take explicit cognizance of this situation is assured of almost certain failure from the very beginning.

Within the present political framework, what kinds of organizational re-adjustments might one recommend -- that would contribute toward a more effective metropolitan government? But to ask this is to put the cart before the horse. The prior question, of course, is "What are the problems of metropolitan government which need to be addressed?" In our view, the primary deficiency of the current structure is the absence of institutional arrangements that allow timely identification and ordering of problems or problem areas, and that can provide appropriate solutions or solution sets. Given this statement of the problem, we can now ask, "What kinds of approaches might be investigated?"

A synoptic approach such as centralizing control through creation of a ministry for Bangkok is quite risky -- that is, apart from the costs attached to

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7. An excellent discussion is given in Martin Landau and Russell Stout, Jr., "To Manage Is Not To Control : Or the Folly of Type II Errors," *Public Administration Review*, March/April 1979, pp. 148-156.

radical reorganization, the probability of failure is rather high. There are no *a priori* grounds for assuming that problems and policy priorities will be more easily identified; nor that solutions and their implementation achieved with greater efficacy. Such an assumption is warranted only if one accepts the premise that grouping agencies together within a single ministry serves to improve inter-agency coordination and cooperation. But such a premise has yet to be empirically validated.

If called upon to suggest an approach, we would opt for one that was informed by principles of disaggregation and decentralization, and that utilized mechanisms already proven to be effective. That is to say, rather than attempting to create a central governing institution, we would recommend the establishment of many organizations, each responsible for particular sectoral areas. For each sector, each organization would be charged with problem identification, priority setting, and establishing solutions and workable programs of implementation, -- including resolving problems of inter-agency conflict of interest and coordination, as they arise. A workable mechanism for doing so is the committee, an institution that is certainly not unique to Thailand, but that is so important that its public administration would almost come to a standstill without it.

The committee has been much maligned by Thai public administrationists. It is slow, it is cumbersome, and its deliberations seem quite often an exercise in nondecisionmaking. Moreover, there are committees for everything. A senior bureaucrat can be expected to sit on at least a dozen or so committees; according to a recent study, one director-general was a member of no fewer than 117 government committees. But this is not to say that, under the right conditions, committees are not effective mechanisms for securing inter-agency agreement, ameliorating conflict, or for producing well-thought out initiatives. They are all this and more.

Decision by committee is already a characteristic feature of the Thai bureaucratic decisionmaking process. The creation of select committees to be responsible for various areas of metropolitan governance may, if properly utilized, lead to more effective administration. Committees are a well-accepted means for reaching decisions; they serve as a forum for the expression of agency views, and when differences emerge, they allow the search for solution and compromise. They pose no threat to existing organizational actors, and are less likely, therefore, to meet with resistance than would be the case in a synoptic reorganization of metropolitan government. Finally, in direct contrast to synoptic, hierarchical, "solutions," the use of committees may proceed experimentally, so that adjustments can be made according to the lessons learned from experience. As a solution approach, they permit a far greater degree of flexibility than attaches to sweeping organizational reform.