

## EDITORIAL

### **Development Administration in Thailand : Strategies and Prospects**

#### **Introduction**

Development administration in Thailand can be traced back to 1950, when the Thai government at the time established the National Economic Council, with the responsibility of acting as consultant to the government on national economic problems. In the following year, 1951, the government established the Board of Technical and Economic Cooperation (BTES) to consider aid received from developed countries. The BTES was later promoted to the Department of Technical and Economic Cooperation (DTEC). In 1957-1958, the World Bank at the request of the government sent a representative to Thailand to survey the economic situation and prepare a report on "A Public Development Program for Thailand." The survey indicated that, in the absence of planning, Thailand's economy was growing at the rate of 3.5% per annum.

In 1958 the then government issued an act establishing the National Economic Development Board (NEDB), which was made responsible for formulating National Economic Development Plans. Its first Plan was launched in 1961 and was operational up to 1966. Further Plans followed: the Second (1967-1971), the Third (1972-1976), the Fourth (1977-1981), the Fifth (1982-1986), the Sixth (1987-1991) and the Seventh and current Plan (1992-1996), which was inaugurated on August 6, 1990 at a special meeting held between the National Economic and Social Development Board (NESDB) and the various ministries concerned, to discuss guidelines for the Plan, which will become effective on October 1, 1991.

The Seventh Plan (1992-1996) gives approval to three major developmental objectives : (1) to sustain economic development at a level consistent with continuity and stability, (2) to redistribute income and decentralise developmental prosperity to the various regions of the country, and (3) to optimise the quality of life and to conserve natural resources and the environment.

The objectives of this article are : (1) to overview and analyse the Seventh Plan (1992-1996), using the CIPP (Context/Input/Process/Product) Model, (2) to indicate

effective approaches to solving the problems to be confronted, and (3) to suggest ways of searching for unseen hazards and finding ways to tackle them.

### **The Present Social and Economic Structure of Thailand**

It is hoped that, during the period of the Seventh Plan, Thailand's economy will become much more internationally oriented, which will require and increase in production efficiency in order to maintain competitiveness on world markets. At the time, production will be decentralized to new regional economic zones. Nine major fields: agriculture, industry, infrastructure, energy, science and technology and the fiscal, monetary and capital markets, have been designated by NESDB for development.

Since 1988, the Thai government's financial balance has ceased to show a deficit. At the same time, though in this same year growth rate had increased to 11%, a need to give attention to equity of income distribution has seemed to lead to a gradual decrease. The situation is illustrated in the following tables.

**Table 1** National Government Finance (Baht million)

<b>YEAR</b>	<b>EXPENDITURE</b>	<b>REVENUE</b>	<b>*BALANCE</b>
1983	166,459	143,635	(22,824)
1984	181,262	148,079	(33,183)
1985	199,548	160,570	(38,978)
1986	203,984	169,834	(34,150)
1987	211,225	202,364	(8,861)
1988	222,133	258,231	36,098
1989	262,913	328,248	65,335

**SOURCE :** *Bank of Thailand*

**NOTE :** *\*(Brackets indicate deficit balance)*

**Table 2** Thailand's Economic Development

Unit : Percentage

<b>GROWTH (%)</b>	<b>1988#</b>	<b>1989#</b>	<b>1990*</b>	<b>1991*</b>	<b>1992*</b>
GDP	11.0	10.5	7.5	7.0	6.0
Private Consumption	9.5	6.5	6.5	6.5	6.5
Government Consumption	3.7	8.7	10.0	8.0	8.0
Exports	35.0	31.1	10.8	4.6	7.9
Imports	23.5	34.9	22.7	16.4	14.0
Agriculture	8.6	6.0	2.6	2.0	2.0
Industry	12.5	13.0	9.0	9.0	9.0
Services	11.1	10.1	7.8	8.0	8.0

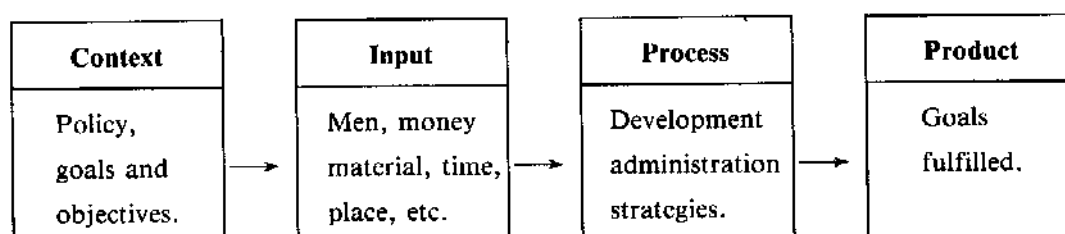
SOURCE : # Bank of Thailand

\*Dataquest Bangkok

### Overview and Analysis of the Seventh Plan

We may use the CIPP (Context/Input/Process/Product) Model to illustrate how policy-makers and planners, and implementors of policy and plans, play important roles at each stage in national social and economic development.

**Chart I** Important Roles of Policy/Plan Makers and Implementors in National Economic and Social Development Structure



We will illustrate the importance of the roles played by makers and implementors of policy and plans under each of the above headings.

**Firstly, Context** : Characteristically, the Seventh Plan is a directive for national development. It has been formulated by setting up clear-cut developmental guidelines and policy on a framework of tentative long-term estimates of trends in economic and

social structure. The intent is that the public and public enterprises, the private sector, and international organizations providing aid to Thailand, should be able to use it as a basis for setting up their own operational plans.

The principal policies and objectives of the Seventh Plan are geared towards equilibrium between quantity and quality, as well as towards equity in society. It is hoped to maintain continuous economic growth at an optimum rate. At the same time, anxiety is felt that the Thai government must clearly stress income distribution, economic stability and maintenance of the quality of life in Thai society over the period of the Seventh Plan. That is, the government must : (1) maintain consistent economic expansion, at an appropriate level, and stability, (2) distribute income and development more widely to the various regions, and (3) escalate the development of human and natural resources, and of the quality of life and of the environment, in a consistent manner.

**Secondly, Input :** The first aspect of input to be considered is human. **Manpower Planning**, as considered operationally in the Seventh Plan, has as its objective to put the right man in the right place at the right time, where he can be most useful. This amounts to estimating the manpower requirements for each department : how many will be required, how qualified, and how they are to be placed. Next is **Budget Planning**. The government plans budget over a short period, usually one year. This is done by considering expected income and the resources which will be spent on an operation. Thus, for any one year, the budget will detail : (1) the expenditure for that year, including the sources of finance which will be drawn upon, (2) the allocation of budget in order of importance of each area, and (3) work and projects to be undertaken each year, together with the budget to be allotted. Finally, the **Work Planning** of the Seventh Plan identifies more clearly what is different, qualitatively and quantitatively, from previous plans. The First to Third Plans allocated resources, within each five year period, both from within and outside Thailand, according to the financial needs of the plan. For each year, the working plan for each developmental field was stated, together with the expenditure and budget required. The Fourth to Fifth Plans stressed goals and policy. Developmental guidelines were, as far as possible, more clear cut, while expenditures on each developmental field were not identified in detail. Work plans were not specified for each year; but each department and ministry was required to prepare its own operational plan.

**Thirdly, Process :** We have indicated that development administration for the Seventh Plan involves planning in three main areas – manpower, budget and work.

Manpower planning is under the responsibility of the Office of the Civil Service Commission (OCSC), while work and budget planning are handled by the Budget Bureau (BB). Setting up the work plan, a most important aspect of development administration, requires interpretation of the objectives of the development plan and classifying functions and responsibilities between the various fields, in order to arrive at a clear-cut operational plan.

Work planning is characteristically top downwards, starting from the specified objectives and goals. The final work plan must be integrated with budget and manpower plans. Hence the necessary next stage in implementation is to consider the resources, classified concisely as manpower and money, available. In calculating manpower and budget requirements, a bottom – upwards approach is preferred. Indeed, calculation of expenditure on the overall project, or of the planning phase, and allotment of authority to implement the work plan and project must be considered from the bottom upwards.

**Fourthly, Product or Output :** Considering that the government may be expected to have acquired a deep understanding of the relationship between manpower, work and budget through the work of the NESDB, BB and OCSC, who have moreover laboured to link these three plans into one smoothly integrated whole, we may hope that the goals and objectives of the Seventh Plan, whose end or destination is national development, may be attained more easily than with the previous plans. However, success will be incomplete unless other factors within the overall system are improved. These include strategies of evaluation and inspection. And last but by no means least, good cooperation among all concerned, public departments, public enterprises and the private sector, is essential.

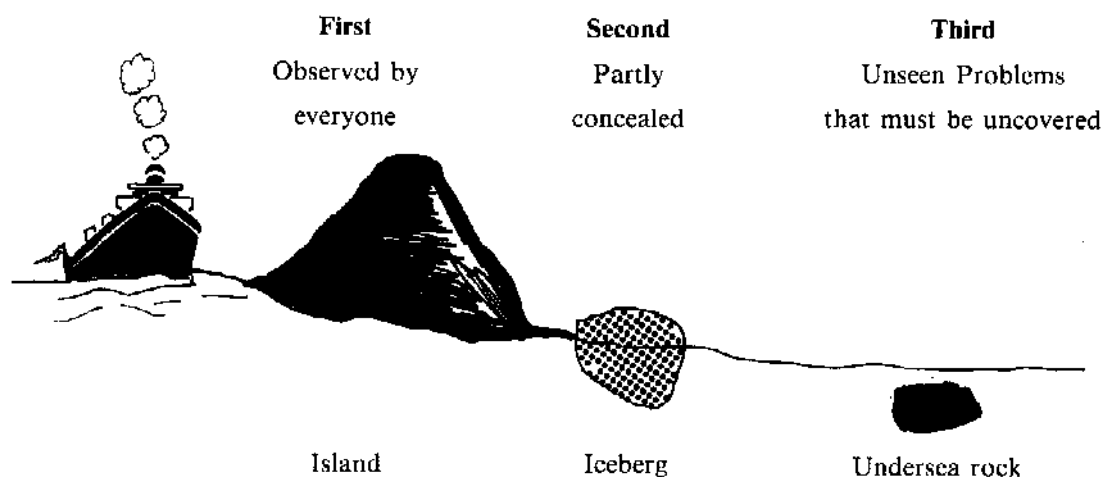
### **Problems to be Confronted : Approaches to Solution**

As an approach to the identification, classification, analysis and solution of problems of national development in Thailand, the Deming Cycle (PDCA = Plan/Do/Check/Action) is suggested. This is one of the Quality Control Cycle techniques which was later adopted, developed and applied in the KAIZEN technique of problem solving.

According to KAIZEN philosophy, where there is no problem, there is no progress. This means that, if a problem is not immediately apparent, one must look for one.

In the developmental milieu, three types of problem may arise. They are illustrated in the picture below.

**Picture 1** *Three Types of Problem*



Up to date, national development planners have been prepared to solve the first and second type of problem; few or no technocrats have given a thought to the third. In consequence, Thailand right now faces problems of inadequate infrastructure and insufficient raw materials to satisfy the needs of the public and private sector trying to implement developmental plans and projects. Bangkok continues to encounter problems of traffic jams, environmental pollution and floods. If we cannot solve even the first type of problem, then how can we solve the third, the unseen problem. If we do not begin to consider, and try to unearth these unseen problems, in the near future we will face an even worse situation than the present.

The KAIZEN technique of problem solving would approach the situation systematically as follows :

Firstly, at the **PLAN** stage, we must: (1) identify clearly the existing problems, (2) classify problems according to types, and (3) analyse and determine priorities among them. As an example of a problem at the level of **CONTEXT** referred to above : policy-makers and planners should not rely only on technocratic brainstorming based on western theories and research carried out in a western context, but should take into account local research and locally-based statistics. Plans should not originate only from the top downwards. Policy and plans should take into account suggestions from the bottom – representatives from all levels should be invited to the brainstorming sessions, the role of the top being primarily to screen and assess the output. Last but not least,

policy and plans should be based on reliable, locally-based statistics. It should be recognized that Thai technocrats still too often take their statistics on Thailand from United Nations Annual Reports and various foreign sources. Facts and figures and statistical data on Thailand would best be obtained by Thais, who know the background well. For this reason it is suggested that the government give more importance to the National Statistical Office (NSO).

**Secondly, at the DO stage :** When policies and plans have been set up, implementation begins and supervisors must monitor implementors' efficiency and effectiveness at their tasks. The problem at this stage may be that implementors themselves are insufficiently informed as to the details of policies and plans. The reason again may be lack of statistical data on which implementors can base decisions. It is suggested that the government should establish a Board to be responsible for adjusting and improving plans. Such a Board cannot work effectively unless it is well supported by the National Statistical Office (NSO) and the latter in turn needs the support of statistical officers as well as others from every government ministry and every private sector organization. At the same time, statistical data submitted from the government and private sectors should be carefully examined. It is well known that facts and figures quoted in some technical articles are of little significance.

**Thirdly, at the CHECK stage :** Supervisors must assess how a task has been performed. What obstacles does the practical worker face? What are the real causes of the problems that arise. In practise, it should be a government policy to assign the Office of the National Research Council (ONRC) to carry out evaluative research on projects being undertaken. The research team should comprize representatives from project workers and the Office of the National Research Council (ONRC) itself, and field experts from relevant universities. Lastly, it is important that evaluation occur at the mid-term of the plan, or yearly; since, if the time span is long the facts and figures may change appreciably.

**Fourthly, at the ACTION stage :** In this context, ACTION means improvement. It is a principle of the KAIZEN approach that one must never rest satisfied with what one has achieved up to the present, whether as to quality or quantity. One must always strive to do better.

So far as this concerns national development, we can suggest the following measures. Firstly, seminars and training courses should deal with the problems and obstacles that evaluative research reveals. The participants should include planners

and policy-makers at national and operational levels, practical workers and indeed all concerned persons. A better understanding of the problems encountered and their solution can thus be promoted, with a view to more effective policies and plans for the future.

Secondly, one should never remain satisfied with goals and objectives fulfilled. In KAIZEN philosophy there is never a place free from problems – there is always another problem waiting to be solved. One simply sets up the Deming Cycle again to identify and overcome it. This is the kind of strategy for development of a newly industrialized country that we propose.

### **Summary and Recommendations**

It is well known to all three responsible agencies – NESDB, the Budget Bureau (BB) and the Office of the Civil Service Commission (OCSC) – that the problem of manpower, budget and work planning is one of failure to coordinate. Our recommendations towards the solution of this difficulty would be as follows :

As to **Work Planning** : (1) The Seventh Plan shows improvements in that the overall plan can be more easily realised in operational plans. The planners stress clarity of policy and guidelines, in setting the direction of the plan at the first step. This facilitates setting up projects and operational measures at subsequent steps. (2) Planners and policy makers have used a work plan system that links planning and budget allocation. Additionally they have improved project presentation and analysis by using the work plan format, which facilitates attaining the national goal set in each field. It is well known that in the past projects were approved one by one. Now, ministries in each field are coordinated over a plan – instead of, as in the past, working in isolation, each waiting for projects submitted by its own department or ministry. (3) Accounts are prepared which integrate government financial and fiscal statements. All sources of finance, the government budget, income from state enterprises, local revenues and loans and aid from abroad towards the plan, are included. This enables all sources to be used effectively each year, rather than would be the case if only the government budget was considered.

As to **Budget Planning** : (1) The Budget Bureau (BB) should consider the progress of each project submitted by the public sector – whether the project should be expanded or discontinued. A gradually increasing “incremental budget” should not be adopted.



(2) A ministry should assess budget application forms submitted by departments within its ministry, to avoid interference between departments. The Budget Bureau should consider only applications submitted by ministries, rather than from each department separately. (3) When a work plan budget is applied for, the Bureau should analyse the work performance of each public sector office at certain periods, according to a zero-based budgeting system. This will facilitate allocating budget in accordance with changing economic and social conditions. (4) The government should propose any type of expenditure to parliament and the public, who may then have an overall awareness of budget allotment.

As to **Manpower Planning** : (1) The government should set a national level manpower policy, so that this could be implemented uniformly by the various branches of the public sectors; for instance national employment, civil servants' welfare and human resource deployment within each department and ministry. (2) The government should adopt a coordinated strategy for manpower planning related to the public sector. This might be done by setting up an organization responsible for uniformly coordinating manpower deployment. (3) The government should establish a Centre for Manpower Data. This could be done by collecting data from the public sector on permanent and temporary personnel employment. In addition there should be an effective service for providing manpower data to any branch of the public sector whenever it is needed. Such data should be reliable. (4) The government should have a system of follow-up and evaluation, to provide some guidelines to manpower planning, and to improve, advise on and, as far as possible, provide manpower resources as these are needed.

Last but not least, as Thailand has come to be regarded as a "newly industrialized country" it has been forced into the arena of globalized economics. Because of this, Thailand must not only import but also invest in advanced, innovative technology, such as computerized technology, to be competitive, not only with newly industrialized, but also with long-industrialized countries. Without competition, there can be no motivation to come out eventually in the front row of advanced industrial nations. Thailand has abundant natural resources and a long historical background of which it can be justly proud. The problem of Thailand's socio-economic development is not one of natural or human resources, but of development administration. Thailand's weak point on the side of development administration is in teamwork. If we endeavour to search out and overcome such unsuspected weak points in ourselves, I believe that

Thailand will be well on the way to becoming Asia's next economic "dragon," on a par with Japan, Korea, Taiwan, Hong Kong and Singapore as a successful trading nation.

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