Exit Report

Empowerment and Decentralization Policy: A Study on the Poverty Eradication Implementation by the Provincial Administration under the Integrative Development and Area-Based Approach

Good Governance for Social Development and the Environment Institute

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Present to

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ศึกษาการทำงานเชิงบูรณาการของหน่วยงานภาครัฐในการลดความยากจน

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Part I
Rationales and Scope of Study

The government under the leadership of the Prime Minister Taksin Chinnawat has launched the public sector reform in Thailand since 2001. In the past four years Thai people witnessed changes in many areas as the result of new policies: To mention a few examples, a reshape of ministries, an injection of the CEO-style government management and the so-called CEO-provincial governor, the village fund, the universal health coverage program, the asset capitalization program, debt reduction program, SML fund, bonus payments that is based on agency’s performance, and the concept of ‘provincial cluster’. Some of these changes were to empower people at the grassroot and especially the poors. Another aspect of changes that the government has been encouraging was to induce improvement in the government agencies to be responsive to the needs of local people.

With respect to the provincial administration, a number of previous studies noted problems due to the highly fragmented administration and the lack of coordination. The CEO-provincial administration was introduced with one of the objectives to be the center for coordination. Under the CEO-administration, all departments and provinces must sign an agreement with the government at the beginning of the fiscal year that specified the public services that ‘province’ must deliver. Within the agreement includes the policy goals, policy targets, action plans, and expected outputs and outcomes. And they would be monitored by the ‘neutral and professional’ evaluation agency. This might be seen as introducing a “yardstick competition” and a “contestable” atmosphere in the provincial administration.

Poverty eradication is clearly stated in this government and at the top in priority in an opening session of the National Assembly in March 2005 when Prime Minister Taksin Chinnawat assumed his second term of premiership with a given timeframe. Earlier Thailand had signed an international agreement along with other national governments around the world to take the MDG (millennium development goals) as her policy objectives in which poverty eradication is on top among 8 common policy goals.

Whether or not the Taksin Government will be able to get rid of poverty and to deliver government services as promised is yet to be seen. And this issue is quite interesting from perspective of policy study. Due to imperfect monitoring and the differences in incentive, the agents may not comply or fully comply to the government’s demand, despite the fact the bureaucrat is an agent and they are subordinate of the government (principal). These problems are well known in economic-management literature under the ‘principal-agent’ model. From a ‘normative’ perspective, the provincial government should implement programs as instructed and to coordinate among hundreds of agencies and civic groups within the province to work together, to design programs / projects in such a ways that these would benefit people at the grassroot level and the poor groups in particular. From the ‘positive’ aspects, policy implementation under the province administration may be different from the government expectations as there may be institutional limitations or agencies do not cooperate with others. One dimension of the weaknesses of provincial administration may be that: they are not well equipped in terms of knowledge management; provinces may work under limited resources and institutional
limitations such as ‘lack of trust’ ‘lack of competency’, etc. In this connection, it may be
 desirable to have a technical support working closely with the provincial administration.
 Supporting management tools for the province include skill for database management, field
 survey, project selection, monitoring skill, performance indicators, and others.

This study is part of an action research that tries to play a supplementary role to the
 provincial administration in implementing a poverty reduction program with four objectives
 in mind: First, to follow up and to understand how the provincial administration (4 selected
 provinces are included as case studies) to translate the national goals into their policy
 objectives, how they plan the road map to attack poverty, setting teamwork, strategic
 planning and a design of programs / projects that are beneficial to the grassroot people and
 the poors, etc. In this connection, a team of Naresuan University and Khon Kaen
 University are proud to be part of the public sector reform that tries to empower people at
 the grassroot and to enable provinces and communities.

Secondly, this study may be considered a part of an on-going evaluation of the
 poverty policy implementation at the provincial level. One of the most useful and desirable
 features of an on-going evaluation is that its timeliness. It may be too costly to wait until
 programs were finished and, then, found out that the program were a failure or ineffective.
 If there are weakness and obstacles while the development programs are still implementing,
 and the system is equipped with the a feedback or signal to the government and to the
 provincial policy makers, then policy adjustments and corrections could be done with no
 delay. Some analysts have warned that there might be policy implementation gap such as
 ‘policy inconsistency’ and ‘incomplete information’ as commonly described in economic
 and management literature under the ‘principal-agent’ model. Although the principal can
 set the policy direction and keep monitoring performance of an agent but the monitoring is,
 at best, imperfect. An agent may drive policy in the direction which are somewhat deviate
 from the government directives -- simply because such actions serve the interest of agents
 but not the principal. Another dimension of interest is social, such as building trust,
 promoting peoples’ participation, and creating a transparency process of budget allocation.
 These are qualitative issues and can be very crucial to the success of province and cannot be
 ignored.

Thirdly, this study will send a team of researcher to undertake a field study in the
 communities and to interview poor families. This part is considered desirable and useful as
 the provincial administrator need to acquire local knowledge and to understand how poor
 peoples live and work. Household survey is conducted by the research team and
 documented in both quantitative and qualitative terms: On one hand, the research team can
 use this kind of information to analyze village situations and to formulate policy
 suggestions; on the other hand, this database can be passed on to the provincial
 administration as we understand that the provincial administration will be able to use these
 information in later stage, for example, the program ‘caravan to help the poors’. We are of
 the opinion that the province has limited ability in the areas of research, database handling
 and data development, and performance indicators. And we feel that an assistance from the
 research team would benefit, at least to some extent, the provincial administrators and this
 is viewed as the learning process for all. This may be considered a kind of networking in
 which the research team provides technical support for the provinces.

Fourthly, this study will try to play role as promoting and disseminating enabling
 principle into the village. It is commonly observed that within community, there are some
village leaders who work very closely with people in the whole village who are able to organize collective activities such as ‘fund from contractual saving’ or setting up ‘welfare scheme’ of some kinds. These activities are based upon trust, reciprocal exchange of gifts or helps, and kinship relations. They are signs of ‘social capital’ which is important for development; in this connection, the provinces should try to utilize the existing groups (or to create new ones) as mediator. Ultimately, human resources development is most crucial factor for development, and hence the provinces should try their best to promote people at grassroot and this is an appropriate channel. There are many programs for the province may provide and link with the collective groups such as occupational trainings; in other words, the province must try to ‘get them involved’ with technical- and financial-support from the province. Since there are hundreds or thousands of village within each province, there may be information gap on part of the province and, in fact, these are already too many for the province to handle. In this connection, research team could act on behalf of the province to bring the groups to be part of the ‘provincial networking’. And it is good for the province as ‘people’s participation’ is enhanced or built in the process of work of province such as ‘budget allocation’ and ‘project /program selection’ that are to be vastly expanded along the regional administration reform.

Poverty Reduction Program: From the National Agenda to the Provincial Agenda

The provincial administration under CEO-leadership has been assigned as new player in implementing strategic development and part of it is the role for poverty eradication which is announced to be top on the national agenda. The target of poverty reduction has been translated from the national agenda into provincial agendas (which differ from one to another province). As each province would have to signed an agreement of service delivery, in which the Office for Public Sector Development Commission (OPSDC) and TRIS play important role on behalf of government.

The Prime Minister Taksin Chinnawatr, in many occasions, encouraged that the government agencies should change in the ways of working from ‘supply-sided’ to ‘demand-sided’. This, however, is a major task and it will take some times to move the whole government agencies. With respect to poverty reduction, it seems that the Taksin government must have adopted an idea of ‘poverty targeting’ in mind. In early 2004, the government instructed every districts “Amphurs” to perform ‘a registration of the poors’ in which all poors are invited to register with Amphur and to specify their state of deprivation such as lack of land, poor health, no permanent occupation, in debt, etc.; and this information set from Amphur compiled into the national poverty database. This is an indicative that the government would like to know who are among the poors and the causes of poverty. Based on this we opt to interpret that the government would like to change the ways of work of bureaucrats toward targeting for the poors-- but it is only at the beginnings. The database of poors is to be screened and checked as there be under-reporting (no show of poor peoples) or over-reporting (show of the nonpoor peoples). In later stage the government may use this dataset for the design of welfare provisions and public works. To many critics, ‘registration of poor peoples’ might be politically motivated as it simply signals to people that the government is keen and active to know who are among the poors – the policy commitment is something else and it must be investigated empirically. There are criticisms also that the definition of poor, according to the government announcement, is rather vague and far too broad: for illustration, to include whose ‘people in debt’ – is likely to be misleading. People in debt is mostly nonpoor – so by including this group, the chance of targeting error is very high as a high percentage of those in debt are middle- or high-
income whereas the real poors who have no access to financial credit and thus no debt. However, from an optimistic viewpoint this may mean an initial step toward ‘a targeting for the poors’. Given all these there are much more technical works to be done to clean data and to begin instructing all responsible government agencies to direct help or assistance in favor of poor groups of people and in ‘relatively poor area’ rather than working as usual (too general and not specific) in both area and the targeted groups.

Policy instruments in hands of provincial administration. Along the empowerment approach the government has initiated new policies and new measures that aim to benefit people at grassroot and the poors. Examples of policies are: i) finding plots of vacant land for farmers who have no cultivated land—in other words, to empower people through supply of factor inputs (land and capital) in the hope that these will lead to more agricultural outputs and higher income; ii) providing assistance in terms of factor inputs such as fertilizer, seeds, farm equipments, etc.; iii) lessening the debt burden through refinancing (a swap of an informal debt to the formal credit which, in effects, would lower interest rates although the amount of debt remains the same; iv) human resource development, by informal education and job-training for poor people with an objective to raise productivity and income — yet the training alone does not guarantee higher income as the chances of success depends on many factors such as degree of matching, adoption of new techniques into works, etc.; v) providing welfare and assistance programs for various disadvantaged groups that include aged and poor people, disabled persons, sicked people – these welfare provisions which used to be under responsibility of central agencies is now transferred in hands of local authorities according the decentralization principle which is mandated by the Constitution 1997; vi) promoting human capital development through scholarship for member of poor families and, recently injected, the new educational finance program called ‘income contingent loans’ (ICL); vii) short-term employment program and job opportunities; viii) creating program called “One Tambon One Products” (OTOP) which is mainly a marketing promotion program that aims at stimulating villagers to produce (in groups or individually) and to create market channels (domestic and foreign) to raise revenue and income for people at the grassroot.

Limitation in reality. There may be policy limitations in practice even though every provinces try their best to comply with the government in implementing the new programs as earlier suggested. And there are variety of problems which vary from one region to another. For illustration, Pichit Province which is a flat area and with little endowment of forest area, most of land are privately occupied and hence there is little options for the provincial governors to find ‘vacant’ land to lend to poor farmers the right to utilize land; even if there is available plots of land they may be inappropriate for cultivation or situated very far from the village. In other words, policy options in hand of provincial governors are more limited and they are area-specific. Despite the fact that under the new “CEO” scheme, the provincial governor is the ‘chairman’ and ‘in charge’ of all administration within the province; in fact, the provincial governor has limited power for instance to transfer the budget and manpower from agency A to agency B even though these may be proved to be more effective and productive. In reality the provincial governor may be uninformed about the budget which are available in many agencies and hence the idea of integrated development programs is not easily implemented despite the grand idea of integrated
development which is generally accepted. There are more to reform to empowering CEO administrators and to enhance ability to coordinate and to integrate working programs that are now carrying under over 150 Departments and their branch offices in the province. As of now the branch administrators are subordinate and accountable for their Department more than the provincial administration. In this regards, there is a call for a revision of the budget law (The Budget Procedure Act B.E. 2502) which at present a bottleneck of a regional administration.

Under the CEO-style administration more budget is allocated at PG disposal, with such money and if use wisely, institutional bottleneck could be lifted, and program for capacity building could be launched, data improvement and poverty mapping could be done or accuracy improvement. With strong determination to reduce an incidence poverty gradually, there are many things that the provincial administration could do. These include: a) strategic plan to widen opportunities for poor families and to empower poor communities; b) select good projects and prioritize the projects in favor of poor peoples; c) signaling and coordinating among different agencies to undertake ‘joint’ projects rather that highlight human dimensions than choosing single dimension project; c) promote local participation and mobilize local wisdom and knowledge to help the less well-off families.

An Action Researches and the Scope of Study

This study is designed to be an action research with the main objectives are: a) to investigate how the poverty eradication scheme is translated into actions and how they are implemented at the provincial level, b) to provide a technical support for the provincial administration in the process of implementation, such as policy advice, involvement in project selection, data and information improvement, assessment of policy effective and mid-term policy adjustment, etc., and c) to fill some ‘knowledge and information gap’ with special reference to poor families through village survey and data collection and reporting to the provincial administration. We take a view (with sympathy) that the provincial officers are heavily ‘loaded’ as there are too many things to do but they tend to have limited time for research, for data collection in field, for analysis. In this connection, supplementary role from researchers and academicians can contribute to the poverty reduction program in provincial- or local-levels. In other words, we perceive a change of role--rather than being ‘outsider critics’ we adopt new role as ‘participatory’ and a task of ‘building knowledge from within’.

This does not however a claim that we have command knowledge and solutions can be readily available; in the opposite we presume that to gain new insight or new knowledge

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1 Accompanied with the delegation of power under CEO-style management, the government has developed the GFMIS (Government Finance Management Information System) that make use of electronic money transfer and the computerized system of government accounting. It is assumed that the GFMIS is to be used as tool to supplement an “Area Based Development” in the sense that more amount of budget will be spatially allocated (provincial administration included) so that the ‘area based agencies’ may be more control of the use of money and less so for the central agencies. In the past the central agencies (departments) control and dictate the use of public money; this phenomenon is evidence supported by the disaggregated budget allocation by provinces which happened to account for small portion (about 15% of the total budget). This is a sign of imbalance control of money in favor of central agencies – some analysts suggest that there is a strong need to delegate power to the ‘area-based agencies’; for instance, the area-based amount of budget is 40% instead of the present level of 15%. With the new budget setting, the area-based agencies will be empowered and more freedom and flexibility is given to the area-based agencies. And by this the provincial governor will be more effective to exercise his power to coordinate and to initiate integrative development programs.
Specific objectives of this policy action research (4 pilot case studies; 2 from the North Region, 2 from the Northeast Region) are:

a) To lend a technical support for four pilot provinces (Pichit and Tak in the North; and Khon Kaen and Mahasarakam in the Northeast Region). By engaging and collaboration with the provincial administration, we shall lend technical advice in many activities such as design of strategies, programs, and projects, strengthen a coordination among different agencies in the provinces, development of database and profiles of poor villages and poor families, evaluate on-going programs or projects.

b) To observe the methods and ways ‘the provinces’ implement their poverty reduction schemes, how they set up an administrative body to monitor poverty, how they select projects or programs that works to the benefit of poor villages / poor families.

c) To study and to document how the poor families earn their livings and strive for living and to get away from poverty trap, to evaluate accessibility of government assistance from viewpoint of the poors, to assess the policy effectiveness or lack of.

d) To observe if there are inherent strengths and weakness from institutional aspects. We tend to believe that success or failure of policy implementation depends to a very large extent on institutional and human factors. By ‘institution’ in our case refer to the provincial administrative body, agencies that drive or responsible for income-generation programs, welfare, training, human development, credit, etc. Outside the government, there are also communities and village leaders (formal or informal) who play an important role in organizing social capital within village.

The Four Pilot Provinces: the North and the Northeast

Two selected provinces in the North are taken in this study, namely, Pichit and Tak. And two provinces in the Northeast, namely, Khon Kaen and Mahasarakam.

Pichit and Tak in the Northern Region

It may be necessary to explain why this research team select case studies. First, both provinces are ranked among the bottom in terms of income per capita. They tended to be bypassed as not a center of any kind from the point of view of commercial, transportation hub, educational, or center of government administration. Their economic bases are mainly agriculture with some few important crops as a major source of value added (i.e., rice for Pitchit). Tak province is an interesting case study from a unique geographic characteristic as a border province connecting Myanmar with a relatively large percentage of Burmese immigrants and a high percentage of ethnic groups with Thai nationality. Although Tak is relatively rich in natural resources and minerals and there is zinc mining business. But it is not necessarily that the benefits from big businesses and industries would spillover to the benefit of the grassroot and poor peoples. Although vast in area and less densely populated, Tak has high percentage of mountainous and high-land which may be unsuitable for cultivation. Highlanders who used to grow opium all now converted to vegetables (notably cabbage production). Being a border province there may be an advantage from the border trading to the benefit of commercial and service sectors. But the case of Tak is extraordinary as Myanmar is usually under a military control and there tend to be fighting...
between the minor ethnic groups with the controlling army government – hence the trade relation between the two countries are not always smooth and interrupted from time to time. Another consideration is about the close relation and the sense of trust between provincial governors and the research institution (Naresuan University): Both the provincial governors of Pichit (Dr. Porntep Pimolsatien) and Tak (Kuhn Suwat Tanprawat) are highly educated persons and they seems to understand and appreciate an academic works and feel an action-policy research that we are undertaking can be useful for their administration; upon this trust, cooperation is easier and smooth. This is an important social dimension as the research team will require collaboration on part of government agencies which requires in-depth data and information such as budget allocation for projects, disbursement process, who are doing and in charge of tasks, and communication in ideas, allowing the researchers to attend the administrative meetings, and willingness to listen to suggestion of the research team etc. Thirdly, the location of both Pichit and Tak is not too far from Naresuan University which makes it convenient to travel and to commute as frequent as it requires. The northern research team is led by Professor Direk Patmasiriwat, Naresuan University.

**Khon Kaen and Mahasarakam in the Northeast Region**

Another team of researcher (led by Associate Professor Sumeth Kaenmanee, Dean of the Faculty of Management Science, Khon Kaen University) take the case studies of Khon Kaen and Mahasarakarm. Khon Kaen is big in area and a kind of ‘center’ in many respects, e.g., education, transportation hub, center of government office, center of public hospital, etc.; in this sense it represents an economic prospering area. But even in better-off province, there be many poor and disadvantaged groups of people. Mahasarakarm is situated nearby (about 60 km eastward of Khon Kaen). The province may be viewed as a kinds of satellite city of Khon Kaen from economic relations.

As for the selection of village, the team employed the ‘poverty registration’ as guideline. Amphur Khao Suan Kwang (the incidence of poverty less than 20%), and Amphur Ban Haed (an incidence of poverty higher than 20%). From village survey and the focus group meeting discussion within village, the researchers tried to observe how the poor families strive for the livings or to get away from poverty, another dimension is how the poors get access to government assistance and public service delivery. Information drawn from village survey shall be passed on for the provincial administration. In addition the researcher team will collaborate with the team of provincial governor in topics such as project selection, redesign of program(s) to benefit the poors, human capital training, etc.

**Method of Study**

This research team will adopt two approaches in our investigation. First, the **bottom up approach** that means and includes:

- Village study survey and documentation how poor families are livings and their access to government service delivery; assessment how effective are those government assistance
- Focus group in which the village leaders are invited and discussion are recorded as to how best to lend an assistance to reach the poors and how the government assistances should be adapted to be more effective and less budget leakage.
- A comparative analysis among poor households and compared with the non-poor families

Secondly, the **top-down approach investigation**. This include an institutional investigation of provincial administration with special reference to the poverty reduction
program, i.e., how the province interpret the poverty eradication program, how they design strategic plan to attack poverty, which agencies are involved and assigned responsibility, project selection, how they coordinate among different agencies, strength and weakness that are inherent in agencies, etc. In each province the provincial governor has announced the poverty committee that indicates which agencies or who (individual person) are involved and who, next is about projects / programs that the participating agencies would implement, project direction and targeting, budget allocated to benefit the poors, poverty mapping (or policy prioritization).

Another important task involve a synthesis of findings, and policy dialogue with provincial administration, policy suggestion as to how to prioritize project / programs to benefit the poor village and the poor groups; how the CEO-budget might be best allocated (this we realize that the ‘budget for poverty program’ is only part of it). Recommendation of activities to be taken in village but it should be initiated by the ‘province’ in order to mobilize people participation, taking advice of ‘local wisdom’.
Part II
Output and Outcome of the Study Project

The research team has taken an attitude of ‘collaborative’ with the provinces in the sense that we would like to carry out a joint research in consultation with province; part of the research is a field study in the selected poor villages are, for example, jointly planned in advance with the top administrators and we keep informing what the researchers have found or some important notes should be passed on. The poor household surveys which is fully documented can be provided for province as we feel that these information can be highly useful for the CEO provincial governors — for example, in the ‘caravan to help the poors’ which is now a task assigned to the province – a glance over the village profile and poor family profile would make the administrators familiar with the village or the targeted poor families prior to the visit. This can be highly useful similarly to the medical doctors who has patient’s information (weight, blood pressure, cause of illness, how long in poor health, drug allergic or not, etc.). With the supply of individual information, not only the average statistics, the CEO provincial administrators will be able to judge what kind of assistance are most appropriate to each group. By changing the style of work of government agencies from ‘supply-sided’ to ‘demand-sided’, there is a much need to improve information on part of government agencies; as the needs of different groups of people are different and hence ones should be able to differentiate ‘demand curve’ of the poor groups from other groups.

Output of the Project: There are many type of concrete output from this project that will be illustrated below.

Technical Support of the Province.

This is considered our major contribution in support of the provincial administration (through advice, sharing of ideas, lending village profile and the poor family profile that the research team had compiled, involve in the project selection and budget allocation planning, etc.). These contribution usually occurs during the joint activities and meetings or the formal meeting with the provincial administrators. To list some research activities:

a) brainstorming meeting with the province; in which we invited representatives from both government sector, business, community and the village leaders to the brainstorming session. As it is important that the concerned agencies should understand the concept of integrative development and the direction of policy reform that the government had instructed the province to do. In an implementation stage, the target for development (and poverty reduction) will have to be set, they can be ambitious but must also be realistic, and how to achieve the goals, and programs or projects to benefit people at the grassroot and the poor groups. Consider the amount of available budget under disposal of CEO-provincial governor and the agencies; project selection. How best to cooperate with the village leaders and to utilize ‘social capital’ that is already existing in the communities; who in the villages can be the contact or ‘focal point’.

b) technical advice for the planning and support staff of the Provincial Governor. We observe that the supporting team of CEO governor is taking an important role, many things on behalf of the governor, but this office is small in number and there
may be some limit in terms of knowledge management. We are of opinion that the research
team can provide supporing and technical role to this team.

c) With respect to the ‘Poor Registration’. Since the compiled information is
done in short time and for the first time, they may be imperfect and weakness. And the
competency to handle large dataset and to take those information for analytical purpose
(such as making quality of living by district or village) so that the province could rank them
according to degree of deprivation. This task is far from being complete and an on-going
because ‘poverty data’ is social and dynamics, as some may exit from the poverty trap and
newcomers.

d) Involvement and participation in the development project screening
committee. Each province set the committee, headed by the provincial governor or
deputies, with representative from government agencies, businessmen, and community
leaders to screen the proposed project, and based on this, will propose the budget for the
Budget Bureau for formal approval. Our team leaders had participated in those meetings
and provided advice and suggestion, such as, which projects should be granted or which
should be screened out. We observe that many project proposals are not well-prepared or
too short to comprehend. This indicate weakness in the provincial personnels as they are
not well trained in the budget proposal preparation—simply because these are ‘new’ tasks,
not because they are unable. Project output are often not stated nor indicators as part of
project evaluation.

e) Follow up on the theme “Caravan to help the poors”. Now that every
provinces are instructed to undertake the ‘caravan’ or the visit team led by CEO provincial
governor to communicate with the villagers and community leaders, to provide assistance
(including welfare) to the poor and disadvantaged peoples, and to provide ‘clinical advice’–
may are many government agencies traveled along the CEO governor team to give
guidance and suggest for villagers, e.g., farmers how want to adopt ‘good agricultural
practice’ or those who want to grow ‘organic rice’ and use less chemical inputs which is in
accordance with the provincial strategy.

f) follow up on decentralization plan and advice given to local administrations.
Under the decentralization plan, over 100 tasks that used to be under central government
agencies are now passed onto local governments, e.g, welfare provision for the aged, the
sicked, and the diables, since 2003. There are needs to monitor the progress and to
understand if there are limitations and obstacles on part of local authorities and here is the
chance for researchers to analyze and to pass on demand of local officials to the attention of
high ranking decision makers.

Field Survey at Community Level and Poor Families and Technical Support

The research team is of opinion that this is another major contribution and the data
compiled from below (village profile and individual poor family profile) could be a vehicle
for the ‘voices of the poors’ to attention of policy decision makers can be important and this
might lead to improvement of government services by the province. Despite the fact that
the Community Development Department has, for many years, has compiled the village
information and household data in accordance with the basic needs approach which are
useful to rank relative deprivation among villages. The provincial administration will need
to have more and in-depth information about ‘poor families’, social dimension, quality of
living, their struggle to rise above the poverty trap, access to government services, etc. The government has instructed the province to ‘x-ray’ and ‘re-x-ray’ where are high incidence of poverty and who are among them and what are causes of poverty. Some of information are quantitative and some are qualitative. With this in mind, our research team went to the selected village and inquires information which should be of helpful for future works of the province. Our activities include:

a) documents who are among the poors in the selected village, ways of livings, and stories about them (with picture for some interesting cases such as the aged and disabled persons). We realize that the province has limited personnels and they tend to bypassed an importance of documentation (written version) but we feel this is important as the province will have to adjust to new style of work (demand-sided); there must be written documentation prepared for the top administrators to make judgement and decision. With respect to poverty reduction, the administrators must imitate the working style of medical doctors who diagnose the sicked, understand the causes and prescribe—and all these are recorded and accumulated over time. As doctors may change over time; similarly the provincial governors shift over some few years. Data report of village average is inadequate; to take one poor family out of poverty, the top administrator must care to take a look of individuals and families or their relations with other members of community. As for the research team, once we have conducted the survey and spent nights in village, much knowledge is gained (compared to prior the visit) and we can be confidence to suggest policy improvement.

b) idea exchanges with community leaders with special reference to social capital and the ways they are help themselves and what are needs from outside. This can only be collected from ‘within’ and after acquaintance with the villager so that they have trust. These information is usually unwritten (oral expression) and can be highly valuable; the researchers do write them (on their behalf) and pass on information for the provincial decision makers.

c) the researchers play a ‘mediating’ role from the villager to the attention of policy decision makers. This is in accordance to taking ‘voices of the poors’ to the policy forum. Again we value this information highly because usually the poors has little chance in the policy forum; and in the public forum (says in the provincial board meeting) they may not say much or express because their cases are too complicated: you have to talk to them at length and usually after they feel acquaintance and ‘trust’ which take times.

**Development of Information and Data for Future Use by Province**

By changing styles of works of government agencies, the province will need to improve database of the villages, the poor groups of people—by information, we mean more than quantitative data, but qualitative, narrative and stories, and, perhaps, picture or video recording are very helpful. These tasks may seem to be too much and too demanding – but if ones narrow the scope to cover the poors which may account to 20-30% (in poor provinces) or less in other provinces. The tasks are in fact manageable. This could be accomplished by outsourcing, and with computer technology at modern days it is not difficult nor too costly. Compared with the information system developed elsewhere (e.g., the Social Security System, the Health Insurance Scheme, the Tax Revenue Collection — these offices need to handle 10 or 100 millions of recording units over 10 or 20 years time): back to the province, the dataset for poor families and individuals may amount to 100,000
cases or less – these are small compared to the aforementioned. But the task looks huge in the context of province simply because they are unfamiliar and unprepared. Once the province begins to do the work (with external advice) they will feel that these are not difficult, and, in later stage, the provinces will be equipped with data and performance indicators to show the government or the monitoring offices such as the Bureaucrat Reform Office, TRIS.

Summary of the Project of Study

This action research project was designed to be a partner of the provincial administration with the focus on learning and technical service. The major theme is an implementation of the poverty eradication programs which is high on the national agenda and every provinces should respond. However the means and ways of fight against poverty could vary from province to province depending on the social context and initial situations. The government has clearly stated that the provinces must specify the targeting area and instructed the provinces to try their best to deliver government services to people at the grassroot and especially the poors. In this connection the provinces need to adjust the ways of working in many areas: one dimension is that they need to work under the specified targets in a given time frame, and they were instructed to be demand-responsive. And the provinces are given new role as a center for an ‘area-based’ development.

In this connection there is strong need to improve a capability on part of the provincial administration. This calls for institutional development to support the provincial governor; notably, a strong team comprised of competent supporting staffs as they will have to work very closely to the provincial governor. These government officials plays important roles on behalf of the governor: At the top administration these competent officials involves in strategic planning and in resource allocation functions. There is a need to develop skills within the provincial team in project selection, communication skills, and ability to integrate projects under responsibility of different agencies. The provincial team will have to work also at the lower level in contacting with communities and village leader to create project or programs to benefit the disadvantaged groups of people through social activities. Here, local knowledge is important – this means more than having the basic village profile data, which tend to be mainly physical. The provincial planners need to be well equipped with database of the poors and disadvantaged groups, not only names, but in details how the poors are living and how the government services have so far reached the poors. What are the obstacles or bottlenecks? And what can be improved to better services the disadvantaged peoples? Good planners must be able to analyze, in other words to play role as social researcher. To start with a field survey of the villages and poor households data should be useful for the provincial planners. The provincial support staffs is limited in personnels and inexperience in research and data collection. In this connection, ‘study from below’ is initiated by the research team in consultation with the 4 pilot provinces. The village profile and the poor household data should be useful for province in later state; e.g., the ‘caravan for the poors’ program in which the provincial teams will visit the village, to provide guidance, and to deliver government services and assistance.

The followings are summary of findings and policy recommendations:

First, we observe that the provincial administration in all four pilot provinces have tried their best to adopt the government instructions, i.e., to adopt an active integrated development approach under democratic and participative approach. At the top of provincial administration, they formed the committees to oversee the progress of policy
implementation. Degated responsibility given to subcommittees and representatives from the business groups and the community leaders invited. But it observed that the representation is still imbalance, i.e., it is quite clear that there is over-representation from the government sector, and under-representation on other groups, communities and academicians. Province strategic plans were formulated. Many provinces claimed that they were able to develop a conceptual model of development which agreed to be most appropriate in their social context. They coined the terms “Khon Kaen model” or “Pichit model” to distinguish themselves from the development model in general. Within the plan specified the roadmap for poverty reduction and the programs and projects to be implemented in time-frame. Whether or not these models will prove to be effective is yet to be seen; anyhow, this creative plan had yielded positive psychological effects as it was claimed to be joint product of ideas exchange from stakeholders. A sense of united grew with an agreed upon goals and a sense of teamwork. The researcher team is of opinion that by assigning a leading role to the “province” to be in charge of an area-based development is a policy move in the right direction. Since there is no overlapping in the provincial boundary, accountability is clear. It should not be difficult for the government to monitor the success of policy implementation and to distinguish which provinces perform well and which are below average. Prior to this change, the leading role in pushing development were in hands of “departments” but since there tend to be overlapping in both functions and areas, it was difficult to identified the causes and effects. Another feature of institutional changes is a creation of the ‘contestable’ or the ‘yardstick competition’ atmosphere into the provincial administration.

Secondly, in all four provincial administrations the poverty reduction targets were specified and the committees were formulated to take responsibility in designing programs / projects and in monitoring the progress of policy implementation. The research team however, observed that the budget appropriated for poverty-reduction programs constituted only a small portion of the CEO-budget amount, normally less than 10% — this however should not be interpreted that the poverty reduction was ranked lowly in the provincial priority setting. It could be that the programs to assist the targeted poors were inexpensive. But it could also be interpreted that the provinces were not innovative enough to plan for ‘good’ projects to assist the poors in villages, or it could be that the provinces were influenced by the business leaders and the interest groups that tended to favorable for GPP-generated projects, e.g., tourism promotion. We observed some of the projects that claimed to be ‘poverty-reduction’ was, in fact, a supply-enhancing mechanism, for instance, to raise agricultural GPP. It may be misleading to classify these projects under the poverty-reduction as such projects may not able to provide benefit for the targeted poors. In this sense we felt that there are still confusion between the demand-sided and the supply-sided approaches among the government agencies. The poverty reduction programs should be more focused and demand-sided in the sense that we could identified who would be beneficiaries of the programs and the major portion should go to the poors.

Thirdly, the research team observed that despite the attempt to integrate on part of the provincial governors there were limitations in implementation. One of the shortfalls was inability to coordinate various government agencies to come up with the joint investment projects of any significant. This was due to the administrative structure which were still largely unchanged; hundreds of government agencies that situated in a province were still accountable to their ‘departments’; although they ‘listened’ to the request of the provinces these offices had little discretion over the control of money and the programs. Departments set their goals and they must abide to the responsible functions which tended
to be ‘single objective’ by nature, i.e. to promote agricultural production. The nature of provincial administration is somewhat different, since the problems encountering the decision makings in a province are too numerous, the provincial administrators must be ‘all around’ and ‘holistic’. Based on the administrative constraints we are of an opinion that there should be further administrative reform: On one hand, the provincial administration should have more power to direct an ‘area based’ development that implies an ability to direct government agencies; on the other hand there should be program to downsize the central government agencies, that should take less ‘action’ and be more ‘strategic’.

Fourthly, the researcher team observed institutional weakness in the provincial administration in that peoples’ participation is still too limited and narrow. To be more specific, the participation in the ‘Provincial Administrative Committee’ which is similarly to the ‘cabinet’ of province by local people is very limited. Members of the committee are largely the representatives of government agencies, only few members are from the private business sector, academicians and some community leaders. In brief an over-representation of the government representatives. The researcher team is of an opinion that this should be improved. As the provincial budget is getter enlarged according the empowerment principle and an area-based development, there should be a guideline of setting up the provincial administrative committee, specifically, we recommend a balanced representation, by increasing the proportion of the grassroot and academicians and reducing the proportion of government agencies. The rationale behind this policy recommendation is the ‘rational procedure’. It is too risky to leave the decision over budget allocation to the person (i.e., provincial governors) who might have be influenced by the development projects that have a support from some strong local politicians or businessmen. In addition, the CEO-provincial administration if it will be able to work well must get a support and trust from peoples. By reshaping the committee to demonstrate transparency in budget allocation and by involving participation from the grassroot, trust over the provincial administration would be restored.

Fifthly, the researcher team observed that the provincial administration has limited capability due to too limited number of personnels and in sufficient number of brained and qualified planners. This, again, was the sign of inappropriate personnel structure in our public sector that need an urgent redressing. Formerly, the government administration is higher concentrated, strategies formulated and budget allocated from top; so provinces less important role and, hence, little need for brained and qualified personnels. But the CEO-management requires that the province (as the center of an area-based development) have ability to plan policy, to formulate strategies, to perform an on-going assessment, and to revise plans in accordance with the social contexts and the situations. It is true that the provincial governors and their deputies are well trained and qualified but this is not adequate. There are too many tasks involved planning, budgeting, and monitoring that need to be screened and selected for decision making and these are too important to leave them in hands of incompetent support staffs.

Sixthly, there was an obstacle in the budget administrative process due mainly to the delay in budget disbursement the province which hampers the policy implementation. Specific example was the disbursement of the money in FY2005 – the government proposed the ‘mid-year budget’ for approval from the National Assembly, in which, the amount 15,000 million baht was to be allocated to support the CEO-provincial administration. In principle, the provinces would have 6 months to spend money and to
implement projects as earlier planned, but due to delay at the top level (Bureau of Budget and the Department of Controller’s General) by the time money reached the provinces was only after August 2005. This implied that the provinces had only 2 month time to perform those functions and tasks, i.e., to implement the projects / programs as planned - instead of 6 month time. We realize that this delay might be because of this is new and the top government agencies unprepared – anyhow this should be noted and a lesson that should be prevented.

Seventhly, with respect to the ‘registration of poors’ the government assigned district administration “Amphur” (over 950 units all over the country). The researcher team is of an opinion that this was a good move because the government must have compiled a database for the poors to be further used by provinces in formulating the road map for poverty-reduction and, by this mean, the government could send signals to people and all government agencies that poverty eradication was highly in agenda. This was again new features—in the past the poverty measure was only estimated based on secondary sources such as the household sampling survey. We considered this as a management innovation in the public sector. But it is important also to note that there were problems and imperfections in the registration: One important aspect was related to definition of poors of which, in our opinion, too vague and too broad. The most problematic was an inclusion of those ‘in-debt’— the chance of error in targeting is high, as the high percentage of those in debt are non-poor. And there might be over-reporting of poor people, but there was also a chance of under-reporting in certain groups, e.g., disabled, sicked, and aged people. At this stage the register of poors should be taken as ‘preliminary’ database and need to be revised and updated on continual basis to reflect dynamism. An updated and revised version of database should now be in hands of provinces instead of amphurs, although it was “amphur” that took a function of registration. Based on interactions with the province, we learnt that there were minor problems in this database as it was too rigid and centralized. We are of opinion that there is urgent need for reassignment and that the provinces should be a lead organization in updating the data and a system to pool data for further use at macro level (planning and monitoring).

Eighthly, the research team is of opinion that there may be problem of ‘policy inconsistency’ in the sense that the targets set by the principal (in this context, the government) might be translated differently by the agents (in this context, provinces). Despite the fact that the government announced the poverty reduction as top on agenda, but the provinces might perform differently, i.e., the poverty reduction program be ranked lowly in the province agenda. And there may be justification to do so in some provinces, i.e., in some rich provinces their priorities might be to promote income and higher GPP per capita. Due to social diversity, it would be difficult, and inappropriate, for government to instruct a uniform policy to be used across country. In this connection, we must leave flexibility to the provinces to devise their policies as deemed appropriate. Since the policy priority of the province may be largely influenced by business sector and some leading local politicians there might be bias in favor of economic and business objectives than the social dimension and the poverty reduction. It was at least rumor that the member of parliaments had influenced the provincial governor in the budget allocation to their favor. Once again, the researcher team is of opinion that there should be a rule or the guideline for province in relation to the budget allocation. It would be too risky to leave this matter in hands of the provincial governor alone. A new procedure that requires the budget allocation be considered in the committee with transparent rule and with ‘people’s participation’. More specifically we saw a problems of overly representation of government agencies in the
“provincial administration committee”-- and too little representation from people at the grassroot and academicians. It is quite important to bring ‘voices of the poors’ to an attention of policy makers, in our context, a provincial table for budget allocation.
Part III
Policy Recommendations

R1: Upgrading the supporting staffs to service provincial governor.
Enabling the provinces is the major reasons and the major principle of this provincial administration reform: as the provinces are given more responsibility to strategy formulating, and to perform an on-going assessment, and to the programs over time according to changing situations there is strong need to build the capacity for analysis in all provinces. In this connection the quality of support staffs for the province is very crucial, this means some few more number of highly educated and qualified personnels with managerial skills. Some of the supporting team should be trained in project selection and evaluation, or acquired economic and business trainings. This was because a province will be handle ‘budget allocation’ within a province and the budget amount will be tripled or even more. In the past the decision making over budgeting was in hands of central levels (departments), i.e., over 85% of budget appropriation was classified under hands of central agencies, and only 15% could be identifiable provincial-wise. This is inappropriate and not in accordance with the empowerment and decentralization principles. To allow the regional or decentralized units flexibility, there should be a (budget) target and a rule change in such a way that ‘identifiable’ budget amount for provinces in total be significantly increase from the past and present. Along with the public accounting reform (GFS = Government Finance Statistics), the government instructed the concerned agencies to expedite disbursement of budget, and the change in the ways of auditing (from pre-audit to the post-audit) to increase flexibility and efficiency. GFS should be utilized as means to add ‘spatial dimension’ – i.e., to reduce over-concentration at central agencies. The researcher team is of an opinion that once the GFS fully adopted, an identifiable provincial budget will be markedly increased (in vicinity of 40% of the total government spendings). Given these assumptions and projections, there is a need to prepare the supporting staff of the provincial governor to be able to handle project selection and to allocate budget efficiently, all these require a high qualified personnels as ‘brain’ of the provincial governor.

R2: Revision of the ‘buget procedure act, B.E. 2502’ with condition to upgrade provinces be the recipient units, similarly to the departments.
This proposal is not new; in fact, long been proposed by imminent political scientist (Dr.Chai-anan Samudavanich). The supporting rationale is now very clear and strong. That is the provinces should be upgraded and empowered and with ability to plan and manage their owned budget rather than being a subset of the departmental budget. In this connection, the researcher team proposes an amendment of the “Budget Procedure Act B.E. 2502” by stipulating that provincial administration (as of now 75 units) be included as the recipient units. This proposal is in fact in accordance with the empowerment and the decentralization principles that the government already agreed and pushed for changes [remark: a drafted version of the budget procedure law is now under study by the Thammasat University Research and Advisory Center, shortly TURAC, under Professor Somkid Lertpaitoon]. This amendment is necessary and will be consistent with the public sector reform directives that calls for: “area-based development” and “spatial dimension” of the budget, to enhance power for province with more discretion and flexibility, to speed up budget disbursement, implementation of GFS etc.
R3: Supporting and enlarging the provincial network with technical services from educational institutions.

The provincial administration should be innovative to enlarge the network and to invite more cooperation from other institutions, especially learning organizations by civic group and academic institutions. Since the tasks for the province to perform are multi-dimensional, the province should draw knowledge competency from the regional universities that are now spreaded widely across the nation. Specifically there are at least 3 areas of skills in knowledge management that the universities could lend services to the provinces. First, the capability to prepare project and to screen development projects. In FY2005, the budget amount for province may have varied from 400-600 million baht and hundreds of project proposed by government agencies, the local administrative units, and villages. The tasks are huge and some projects need scientific knowledge. In this connection, by establish a network with higher-educational institutions should be helpful for provincial administration. Second, an ability to analyze projects and to allocate budget. Technical advice should be useful and as earlier mentioned that the provincial governors received proposals from various agencies and might be under influenced of politicians. The ways to help allocating money wisely and with reasons are on one hand the committee to screen projects. Many development projects have ‘new’ ideas but they can be risky, e.g., a project to convert farmers’ occupation, there may be technical aspects which are beyond the knowledge of provincial support staffs. Third, skill in database and performance indicators. As the provincial support staffs will have to perform on-going monitoring and to revise or adjust programs along an implementation, it may be difficult to rely on ‘in house’ team, instead, the province can utilize management skill from outside, i.e., from universities and research institutions.

R4: Developing performance indicators including a monitoring poverty data as part of the public relations.

The public relations is important for the provincial administrators as means to create understanding, to build trust of people, and to show transparency. In fact many provincial governors have successfully utilized the mass media to establish a good public relations but the messages as currently practice were mainly ‘activities’ about what the provinces were doing now or would perform in the near future. These were fine and the public response in general satisfactory – but in the future these will be inadequate. In the future people will raise questions “the CEO-system have long been practiced, what are the outcomes?” In this connection the provincial administrative should be forward-looking and prepare to answer these queries long in advance. People will be more sophisticated and it should be obvious that satisfaction criteria are not statics. In fact, the team of provincial governors should be among the first to raise these kinds of query. In this sense, they will have to adapt the attitude of researchers through rethinking; keep asking whether the implemented projects were worth of investment or not; what could be done to raise an efficiency and the policy effective to the higher and satisfactory levels.
R5: A definition of poors should be redefined and the need to update poverty database.

The researcher team is of opinion that the definition of poors as adopted in the poverty registration was too broad and can be even misleading: the most problematic case in point is an inclusion of in-debt. Most of people in debt are not poor and accordingly the chance of error is high. The researcher team recommends that “provinces” should take the lead and be responsible in the task of updating the poverty data instead of “district” (Amphur). To assist the provincial administration, the government may assign some academic institutions (preferable in 4 or 5 regions) to assist the provinces.

R6: Agreement over the service delivery of the provincial administration.

We earlier noted that there might have been “policy inconsistency” in some provincial administration in the sense that the provinces might ranked “poverty reduction” lowly in their priorities which is an opposite to the national agenda. Although provinces have an autonomy in formulating the development strategies and the freedom to allocate budget for develop projects. In this connection the researcher team suggests that during the process of negotiation (in which the Office of Public Sector Development Commission will act on behalf of government) the target of poverty should be monitored very closely. Especially in those provinces whose poverty incidences are high, the poverty-reduction should rank highly in the provincial agenda and that the portion of provincial budget to support poverty-reduction programs / projects should be significant.

R7: To upgrade the public accounting system along the GFMIS and to increase ‘spatial dimension’.

The government instructed a reform in public accounting system. Under the GFMIS, an information technology is adopted to improve the financial and the fiscal management of government budgeting. Electronic transfer of money, E-procurement and auction are but few examples. One aspect of change that this study highly recommend is to increase “spatial dimension” of government budget allocation. This can be accomplished by setting rule that the departments should allocate higher percentage of the budget to their branch offices in the regions / provinces. Via delegation of power, the branch offices will have more autonomy and freedom and they shall be innovative and forward-looking in development. And based on the GFMIS with spatial allocation of money, the provincial governors will be empowered as he/she would mobilize fiscal resources that are in hands of government agencies and to create joint development projects. As such efficiency enhanced and policy effective improved.

R8: A transfer of responsibility and officers from the central to be under the regional administration.

Further reform of human resources within the government sector should be continued. The researcher team recommends that there need to be a transfer of manpower from central agencies to the provincial administration. This does not mean to suggest bigger government employment. Central agencies should be downsized in terms of personnels but they can maintain power in strategic planning. By redirecting the responsibility, the central agencies will be more focused on strategic agenda and the decentralized units (regional and local governments) will take more responsibility in the provision of service delivery. In this connection, we perceive that there should be program to redirect manpower accordingly. A technical supporting staffs to assist CEO provincial governors should be increased and empowered.
R9: To enhance an ability for research in the provincial administration.

The researcher team recommends that the provincial administration should be strengthened in the areas of research and analytical ability. One aspect of recommendation is that the provincial support staffs should take an attitude of “researcher”. Participatory researches in collaboration with community leaders by raising questions such as “who in the villages are still poor”, and “what are the best means to assist poor families out of poverty?”

Ones must admit that poverty is a highly complex subjects, the ways to help people and to raise capability are different from one person to another or from groups to groups. It is impossible to have one solution for all. Medical doctor examine his / her patients carefully by diagnose the causes of illness, before prescribing the right medicine case by case (and on individual basis); by the same analogy, the provincial administration may have to act similarly, i.e., they must engage in action research through diagnosis before prescription. The provincial administrators should have the profile of poors.
Reference


