



# **Local Governance Reform in Thailand: Current Issues and Recommendations**

**Department of Local Administration  
Ministry of Interior, Royal Thai Government**



# Aspects of Local Governance Reform

- 1. System, forms, structure, powers and duties**
- 2. Decentralization**
- 3. Management**
- 4. Finance and budgeting**
- 5. Local personnel administration**
- 6. Supervision, scrutiny, and people's participation**





# Current Issues/Problems

## 1. System, forms, structure, powers and duties

- 1.1 The laws determine the scope of powers and duties (P&Ds) of each type of local administrative organization (LAO) in a broad manner. In practice, LAOs can provide limited types of public services because their P&Ds overlap with the provincial administrative agencies, and the P&Ds of Provincial Administrative Organization (PAO) overlap with those of municipality and Subdistrict Administrative Organization (SAO).
- 1.2 The jurisdiction of upper-tier LAO (PAO) overlaps with those of lower-tier LAO (municipality and SAO).
- 1.3 Public service provision of LAO has problems due to limitations in terms of system, structure, budgeting, personnel, and administrative capacity which affect the quality of public service.



# Current Issues/Problems (cont.)

## 2. Decentralization

- 2.1 Transfer of missions/functions by national government agencies has not fully been in accordance with the Decentralization Plan.
- 2.2 Some missions/functions were transferred to LAOs without concurrently providing adequate and appropriate personnel/budget.
- 2.3 Some LAOs were not ready to receive the new missions/functions.
- 2.4 Many LAOs are still unable to earn revenues themselves and depend on intergovernmental grants from national government.
- 2.5 Some missions/functions were transferred without amendments of laws or regulations to support the implementation.
- 2.6 No law or regulation to support the cooperation among LAOs in the form of syndicate.





# Current Issues/Problems (cont.)

## 3. Management

- 3.1 Local development planning of LAOs has not given enough attention to the National Economic and Social Development Plan, national government's policy, strategic plans of the province/district.
- 3.2 Lack of mechanisms for linking the upper-tier LAO (PAO) with the lower-tier LAO (municipality and SAO).
- 3.3 LAO's too much emphasis on infrastructural projects rather than quality-of-life ones.
- 3.4 Some missions/functions cost too much for LAOs to implement.
- 3.5 LAO's unresponsiveness to the needs of local residents.



# Current Issues/Problems (cont.)

## 4. Finance and budgeting

- 4.1 Lack of fiscal autonomy / still mostly dependent on intergovernmental grants from national government and shared taxes / unclear policy on determining types and ratios of tax revenues that should be allocated to LAOs.
- 4.2 Lack of tax-collection capacity (locally-levied taxes account for less than 10% of total revenues of LAOs).
- 4.3 Fiscal disparity between large and small LAOs.
- 4.4 Imbalance between revenues and expenses of LAOs.
- 4.5 Problems related to budget administration (corruption, inefficiency)
- 4.6 Problems related to scrutiny system, lack of transparency in budget allocation, procurement, people's participation





# Current Issues/Problems (cont.)

## 5. Local personnel administration

- 5.1 There are many committees on local personnel administration (national, provincial) categorized for all types of LAO, which make the results of consideration unstandardized.
- 5.2 Corruption/bribery during recruitment and selection of local personnel, as well as personnel transfer and promotion.
- 5.3 Too many positions classified than needed, causing fiscal burdens above the level allowed by the law.
- 5.4 Difficult to transfer from one place to another / monopoly of position / conflict in the local area.
- 5.5 Regulatory agencies cannot solve personnel problems responsively because the laws on penalty or investigative procedure are unclear.



# Current Issues/Problems (cont.)

## 6. Supervision, scrutiny, and people's participation

- 6.1 Too much dependence on the judgement of regulatory agencies (unstandardized).
- 6.2 The scrutiny agencies enforce the standards used for scrutinizing national government agencies on LAOs which have work contexts different from the former.
- 6.3 Local people are not interested in actively participating in scrutinizing the administration of LAO. They lack the knowledge/expertise on local administration.





# Reform Recommendations

## 1. System, forms, structure, powers and duties

1.1 There should be two forms of LAO:

- 1) General form → two tiers in one provincial area
- 2) Special form

1.2 Upgrading the SAO into subdistrict municipality

1.3 Merger of small municipalities in the future



# Reform Recommendations (cont.)

## 2. Decentralization

2.1 Responsibility and power and duties of LAO:

- 1) Basic missions/functions LAO must carry out
- 2) Missions/functions required by other laws
- 3) Optional/elective missions/functions

2.2 Relationships among LAOs, between LAOs and national government agencies, provincial agencies, and local communities.

2.3 Revenues and expenses of LAO





# Reform Recommendations (cont.)

## 2. Decentralization (cont.)

2.4 Local development planning of LAO

2.5 Public service standards of LAO

2.6 Supervision, monitoring, and evaluation of LAO

2.7 People's participation and scrutiny by the people

2.8 Steering mechanisms for decentralization



# Reform Recommendations (cont.)

## 3. Management

- 3.1 Appointing the committee on integrating local development plans at the province-wide level.
- 3.2 Allowing lower-tier local executives (from municipality and SAO) to join the development planning of PAO.
- 3.3 Establishing a system for scrutinizing, monitoring, and evaluating the performance and spending of LAO.
- 3.4 Promoting more types of public services provided by LAO
- 3.5 Amending laws/regulations which hinder the cooperation among LAOs.
- 3.6 Supporting LAO's better use of local development plan to solve people's problems and needs, as well as collaboration between neighboring LAOs.





# Reform Recommendations (cont.)

## 4. Finance and budgeting

- 4.1 Increasing revenues for LAOs.
- 4.2 Raising tax-collection capacity of LAOs.
- 4.3 Enhancing transparency and good governance.
- 4.4 Increasing the efficiency of budget spending.
- 4.5 Proposing the design of area-based budgeting system along with function-based budgeting system.
- 4.6 Maintaining fiscal discipline and fiscal balance.



# Reform Recommendations (cont.)

## 5. Local personnel administration

- 5.1 System of pre-post audit committee
- 5.2 Merit system
- 5.3 Enhancing competency and professionalism of local officials
- 5.4 Performance-based evaluation
- 5.5 Standardized compensation and welfare
- 5.6 Flexible personnel system
- 5.7 Promoting more people's participation





# Reform Recommendations (cont.)

## 6. Supervision, scrutiny, and people's participation

### 6.1 Supervising and Regulating LAO

- 1) Only when necessary
- 2) Standards for supervision: local council dissolution, removal of local councilors or executives from office, issuance of local ordinance

### 6.2 Scrutinizing LAO by people's sector

- 1) Financial, fiscal, supply, and account scrutiny by auditors
- 2) Procurement scrutiny by the local people



# Reform Recommendations (cont.)

## 6. Supervision, scrutiny, and people's participation (cont.)

### 6.3 People's participation

- 1) Supporting more public participation in local referendum, local development planning, local council meetings.
- 2) Amending laws on people's petition for removing local councilor or executive from office by decreasing the required number of people's signatures.
- 3) Amending laws on people's proposal of local ordinance by decreasing the required number of eligible voters' signatures.





# What benefits would people, LAOs, and the country gain after the reform?

1. People would have opportunities to join LAO's affairs and be able to scrutinize the work of LAO.
2. People would have accessible, standardized, and quality public services.
3. There would be a learning process and empowerment of the people in taking care of themselves, problem solving, and satisfying local needs in a responsive manner.
4. The country would become healthier since the national government would have more time to focus on national issues and deal with international economic competition.



# What benefits would people, LAOs, and the country gain after the reform? (cont.)

5. Role, missions/functions, and relationships between national, provincial, and local administrative units would become better-defined and less overlapping.
6. LAOs would have higher capacity in providing efficient and accessible public services to fulfill people's will and needs in the locality.
7. LAOs would have more autonomy in managing their affairs and become more capable and self-reliant.





**THANK YOU.**