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Who Gets What and How?: Challenges for the Future

Beyond Patronage: Tasks for the Thai State

The 1993 Year-End Conference

WHO GETS WHAT AND HOW?: CHALLENGES FOR THE FUTURE

Policy Analysis

Beyond Patronage: Tasks for the Thai State

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Executive Summary

Thailand is experiencing a rapid shift from an administrative-centered government to an interest-group centered government. Elected politicians and interest groups from nearly all quarters of society have penetrated the State and are increasingly shaping the goods and services it provides. Though just at the same time that the State's autonomy from society has declined, the State has been failing to provide the goods and services that are necessary for managing the complexities of an industrial and increasingly urbanized society.

The paper offers three sets of arguments in support of this claim:

- The era of administrative-centered government (roughly 1932-1973) resulted in the development of rules and procedures in the conduct of public policy that have become increasingly inadequate -- and in some cases inimical -- to the policy requirements of a compex industrial society.

- As industrialization proceeds, many of the services and regulatory functions the State will need to perform may not be expressed in the form of demands by voters and interest groups. Interest group and voter participation is not a sufficient condition for an effective, functioning government. The provision of these services thus depends on the capacities and foresight of politicians and civil servants.

- Many of the services the State needs to provide are heavily knowledge-intensive and require great administrative and technological agility. But the old practices associated with administrative-centered government, whereby officials devise policies and allocate patronage in a top-down fashion, are increasingly unsuitable for governing a complex industrial society.

As industrialization and urbanization run rampant, the old institutions and ways of conducting public policy will no longer do if Thailand is to remain competitive globally while also correcting the externalities that arise along the way and distributing the gains of economic growth more equitably among all sectors of the population. While the State does not always *act* upon the complexity of modern society in a coherent or effective fashion, it is *acted upon* quite frequently by the numerous voters and interest groups that have emerged as a result of decades of sustained economic growth.

While we offer no policy *prescriptions* per se, we stress throughout the discussion that the quality of government matters, and it will matter all the more as the country continues its structural shift away from an agrarian economic and social base. In the closing section we devise four scenarios about future economic and political trends. In doing so we make four assumptions about the future, namely:

- Urbanization will increase rapidly, not only in Bangkok, but also in numerous provincial cities.

- In the urban areas there will arise a much larger larger middle class which will not be dependent on the State for either its livelihood or security.

- The majority of the labor force will no longer be employed in agriculture, and the ranks of urban factory laborers will swell. The urban industrial labor force will become unionized and its organization will grow in strength.

- Parliamentary institutions will remain the norm.

On the basis of these assumptions we construct four scenarios which would result under alternative sets of economic and social conditions. In all four cases, outcomes depend on the political roles of the urban interest groups (industrialists, middle classes, and labor) and the military and the reactions of these groups to changing economic and social conditions. The scenarios also depend on the extent of civil service restructuring, a factor which, in our view, is one of the chief variables which could improve the quality of government services and the ability of the State to act coherently upon the economic and political challenges which could arise over the coming decades.

บทสรุปสำหรับผู้บริหาร

รัฐไทยในรูปลักษณะที่ประจักษ์อยู่ในปัจจุบันนั้น ถือกำเนิดมาตั้งแต่รัชสมัยพระบาทสมเด็จพระจุลจอมเกล้าเจ้าอยู่หัว จุดมุ่งหมายหลักในการสร้างรัฐของพระบาทสมเด็จพระเจ้าอยู่หัวรัชกาลที่ ๕ ก็เพื่อกีดกันประเทศตะวันตก ไม่ให้มีโอกาสเข้ามายึดราชอาณาจักรสยามเป็นเมืองขึ้นได้ เพราะเหตุนี้ รัฐไทยจึงเน้นการ*ปกครอง*เยี่ยงประเทศเพื่อนบ้านที่ได้ถูกประเทศในยุโรปยึดไปปกครองหมดแล้ว

รัฐในระบอบสมบูรณาญาสิทธิราชในระยะต่อมามีความเป็นเอกภาพ ซึ่งได้มาจากการที่ข้าราชการทุกคนต้องถวายความจงรักภักดีต่อองค์ประมุขของรัฐ และต้องรับผิดชอบตามลำดับสายงานขึ้นไปจนถึงพระองค์ การปฏิวัติใน พ.ศ. ๒๔๗๕ ได้ล้มล้างระบอบสมบูรณาญาสิทธิราช แต่มิได้ปฏิรูประบบและกลไกการทำงานของรัฐในสาระสำคัญแต่ประการใด ความรับผิดชอบที่บรรดาข้าราชการต้องมีต่อองค์พระมหากษัตริย์ในที่สุดนั้นก็หมดสิ้นไปกับระบอบสมบูรณาญาสิทธิราช และในเมื่อผู้นำการปฏิวัติครั้งนั้นและครั้งต่อ ๆ มาก็ล้วนเป็นข้าราชการ รัฐไทยจึงมีลักษณะเป็นเอกเทศ ไม่ต้องรับผิดชอบต่อผู้อื่นใดทั้งสิ้น ผลที่ตามมาก็คือการแก่งแย่งผลประโยชน์และความเป็นใหญ่ในหมู่ข้าราชการด้วยกันเอง (ข้าราชการที่กล่าวถึงนั้นรวมทั้งทหารและพลเรือน) การแก่งแย่งดังกล่าวนี้ ได้ทวีความรุนแรงมากขึ้นในยุคหลังสงครามโลกครั้งที่สอง

ในที่สุด การแก่งแย่งผลประโยชน์ในช่วงทศวรรษ ๒๔๕๐ นั้นมีผลทำให้เศรษฐกิจการคลังของประเทศนั้นวิกฤตลงถึงขีดคับขัน เมื่อจอมพล สฤษฎ์ ธนะรัชต์ ได้ทำการปฏิวัติครั้งที่สอง ก็ได้ดำเนินการปฏิรูประบบการเงินการคลัง และได้วางรากฐานทางกฎหมายเพื่อปกป้องไม่ให้เกิดสถานการณ์เช่นนี้อีกได้ การปฏิรูปดังกล่าวได้ทำให้เศรษฐกิจไทยมีเสถียรภาพดีขึ้นกว่าเดิมมาก เสถียรภาพนี้เป็นฐานที่ทำให้เศรษฐกิจภาคเอกชน (ทั้งธุรกิจและเกษตรกร) ขยายตัวมาโดยต่อเนื่อง

การขยายตัวของเศรษฐกิจนี้ได้ทำให้สังคมไทยแตกแขนง มีกลุ่มผลประโยชน์ใหม่เกิดขึ้นมามากมาย กลุ่มผลประโยชน์เหล่านี้ (โดยเฉพาะภาคธุรกิจ) ได้พยายามเข้ามาผลักดันให้รัฐบาลต้องดำเนินการบริหารในลักษณะที่แตกต่างจากที่ดำเนินการมาในอดีต การเลือกตั้งที่มีสม่ำเสมอขึ้นหลังเหตุการณ์ ๑๔ ตุลาคม ๒๕๑๖ ได้เอื้ออำนวยให้แรงผลักดันจากกลุ่มผลประโยชน์เหล่านี้ทวีความรุนแรงมากขึ้นตลอดเวลา

นอกจากนี้แล้ว การขยายตัวของเศรษฐกิจและการเปลี่ยนแปลงในสังคมที่เกิดขึ้นตามมา ได้สร้างภารกิจใหม่ ๆ ให้แก่รัฐบาล ไม่ว่าในด้านการลงทุนทางด้านสาธารณูปโภค ในด้านการป้องกันอุบัติภัยต่าง ๆ ในด้านการต่อรองกับธุรกิจเอกชนเพื่อรักษาผลประโยชน์ของส่วนรวม เป็นต้น ภารกิจเหล่านี้ต้องการความชำนาญการพิเศษ ในหลายด้านหลายมุม ความสามารถของรัฐในการดำเนินงานเหล่านี้ นับวันก็จะลดน้อยลง เพราะผู้ที่มีความชำนาญการดังกล่าวไม่มีแรงจูงใจที่จะมารับราชการ มิหนำซ้ำ ผู้ที่รับราชการอยู่ก็ได้ค่อย ๆ ลาออกจากราชการไปทำงานในภาคธุรกิจ

โดยที่รัฐไทยไม่ได้ถูกสร้างขึ้นมาเพื่อตอบสนองต่อกระแสผลักดันจากภายนอก และต่อปัญหาอันเกิดจากสังคมที่กำลังรุดหน้าไปเป็นสังคมอุตสาหกรรมอย่างรวดเร็วเช่นนี้ รัฐและสังคมโดยส่วนรวมจึงต้องเผชิญกับวิกฤตการณ์ต่าง ๆ อยู่ตลอดเวลา วิกฤตการณ์เหล่านี้เกิดขึ้นเพราะรัฐไม่ได้ปฏิรูประบบการทำงานของตนอย่างถอนรากถอนโคน การผดุงไว้ซึ่งอำนาจรัฐแต่ถ่ายเดียวนั้นไม่เพียงพอที่จะทำให้รัฐสามารถปฏิบัติภาระหน้าที่ที่เกิดขึ้นใหม่ ๆ ได้ ตรงกันข้าม การใช้อำนาจรัฐโดยไม่มีการถ่วงดุลและรับข้อมูลจากภายนอกรัฐ นอกจากจะทำให้เกิดการฉ้อราษฎร์บังหลวงอย่างมโหฬาร อย่างที่เคยเกิดขึ้นมาแล้วในช่วงหลังสงคราม ยังจะมีผลทำให้การตัดสินใจที่ไร้ประสิทธผล เพราะไม่มีรากฐานทางข้อมูลที่ถูกต้อง แต่ในทางกลับกัน การที่จะให้รัฐโอนอ่อนไปตามกระแสผลักดันจากภายนอก โดยที่บุคคลากรของรัฐไม่สามารถที่จะทำหน้าที่พิทักษ์ผลประโยชน์โดยรวมของสังคม ก็เท่ากับเป็นการทำให้รัฐเป็นแต่เพียงเวที ในการแก่งแย่งผลประโยชน์ของกลุ่มต่าง ๆ ในกรณีเช่นนี้ ผลที่จะเกิดขึ้น ก็คือกลุ่มที่มีพลังแรง ไม่ว่าในด้านทรัพย์สิน อาวุธ หรือ คะแนนเสียง ก็จะฉกชิงผลประโยชน์ไปได้มากกว่า

การที่จะให้รัฐรับผิดชอบต่อประชาชนโดยผ่านกลไกการเลือกตั้งนั้น ก็ใช่ว่าจะไร้ปัญหาเลยทีเดียว เพราะเหตุว่า ประชาชนที่ไปเลือกตั้งสมาชิกสภาผู้แทนราษฎรนั้น ประเมินผลงานของ สส. ไม่เหมือนกัน คนในเมืองนั้นต้องการให้ สส. ประพฤติตนอย่างหนึ่ง แต่คนในชนบทนั้นต้องการให้ สส. ทำหน้าที่ของตนในอีกลักษณะหนึ่ง สส. ที่คนในเมืองประนามว่าเป็น สส. น้ำเน่านั้น กลับเป็น สส. ที่ได้รับคะแนนนิยมท่วมท้นในเขตของตนอย่างต่อเนื่อง ในที่สุดรัฐบาลที่มาจากการเลือกตั้งเข้ามาบริหารประเทศ ก็จะต้องเอาใจฝ่ายใดฝ่ายหนึ่ง นั่นเป็นสิ่งปกติธรรมดา ไม่ว่าจะเป็นรัฐบาลใดในประเทศไหนก็ตาม แต่สิ่งที่พิเศษสำหรับรัฐบาลไทยในขณะนี้ก็คือ การตัดสินใจนี้จะไม่ได้รับการยอมรับว่าเป็นการตัดสินใจที่*ชอบธรรม* จากบางส่วนของประเทศ เพราะมาตรที่ใช้ประเมินนั้นแตกต่างกันในระหว่างกลุ่มต่าง ๆ

ความขัดแย้งในระบบเช่นว่านี้ ได้สร้างพลวัตรที่กติกาของการเมืองไทยเปลี่ยนแปลงอยู่ตลอดเวลา รายงานฉบับนี้ได้นำเอาผลการวิเคราะห์ที่สรุปไว้ข้างบนนี้มาใช้ในการประเมินวิวัฒนาการของการเมืองไทยที่จะเกิดขึ้นในอนาคต โดยได้ให้ภาพจำลอง (Scenario) ไว้สี่ภาพด้วยกัน สี่ภาพนี้แสดงให้เห็นวิวัฒนาการในแนวทางที่แตกต่างกัน สี่แนวทางนี้เป็นแนวทางที่คาดว่ามีโอกาสเกิดขึ้นได้ มิได้เป็นแนวทางที่ผู้เสนอรายงานเสนอแนะว่า เป็นแนวทางที่ควรเกิดขึ้น ภาพจำลองทั้งหลายนี้เสนอเพื่อชี้ให้เห็นถึง ปัจจัยหรือพลังที่มีความสำคัญต่อวิวัฒนาการของการเมืองไทยในความเห็นของผู้เสนอรายงาน ปัจจัยที่สำคัญ ๆ มีดังต่อไปนี้

- การขยายตัวของสังคมเมือง และกลุ่มชนชั้นกลาง
- ภาวะเศรษฐกิจและนโยบายการค้าในโลก
- กำเนิดของขบวนการแรงงานในธุรกิจเอกชน และบทบาททางการเมืองของสหภาพแรงงาน
- การที่ทหารจะกลับเข้ามามีบทบาททางการเมืองอีก
- ความสำเร็จในการปรับโครงสร้างระบบราชการ

ปัจจัยหรือตัวแปรเหล่านี้จะมีบทบาทมากหรือน้อยนั้นขึ้นอยู่กับลำดับเหตุการณ์ที่จะเกิดขึ้น และกับความสัมพันธ์ที่จะมีต่อกันระหว่างกลุ่มต่าง ๆ ด้วย ส่วนลำดับเหตุการณ์จะเป็นอย่างไร กลุ่มต่าง ๆ จะสร้างสายสัมพันธ์อย่างไรนั้น จะพยากรณ์ให้ด้วยความมั่นใจมิได้ ด้วยเหตุนี้ผู้เสนอรายงานจึงได้เสนอให้เห็นสี่ภาพจำลองเพื่อให้เห็นพลวัตรได้ชัดเจนขึ้น ซึ่งทั้งสี่ภาพนี้มีโอกาสเกิดขึ้นได้พอ ๆ กัน

Beyond Patronage: Tasks for the Thai State

1. INTRODUCTION

Governments affect the quality of life in a society both by what they do and by what they leave undone. Societies, in turn, measure the outputs and the performance of governments with very subjective yardsticks, so that it is highly unlikely all the members of a society would rate those outputs by the same set of standards. What makes for a good government in the eyes of the farmer, for instance, may be unsatisfactory to the proprietor of a manufacturing firm, and vice versa.

The political process can serve as an arena to bring these different interests together in order to establish a consensus about what the standards of the society should be, or at least about what range of standards ought to be impressed upon government performance. But all too often the political process is dominated instead by single-issue interest groups lobbying for their own particular benefit. Politics is then reduced to a "distributive game" in which governments are persuaded to lavish hefty subsidies on select interest groups at the expense of every taxpayer.[1] Democracies are particularly vulnerable to this form of manipulation, since they invite lobbying from all quarters of society.

In this paper we identify the different categories of interest groups and voters in Thailand and explore their attitudes and demands on government; the ways in which these demands are accommodated in the political process; and finally, in order to construct scenarios about future outcomes, to evaluate how the State responds in the form of the services it supplies. Bearing in mind that government services are a product of the

1 For related discussion see Synthesis Paper Volume III, and also Thanapornpun, 1989.

interface between interest group demands and the willingness or ability of State incumbents (elected and permanent officials) to act upon a society's concerns, we devote the paper to substantiating the following arguments:

- Thailand is experiencing a rapid shift from an administrative-centered to an interest-group centered government, whereby individuals and groups from various quarters of society have penetrated the State and are increasingly shaping the goods and services it supplies.

- These voters and interest groups measure the performance of government with different and often contradictory criteria, and their different standards help to render the parliamentary system incoherent and weak.

- As industrialization proceeds, many of the baseline services and regulatory functions the State will need to perform may not be expressed in the form of demands by voters and interest groups owing to organizational costs (or indifference). Their provision may thus depend upon the wisdom, foresight and leadership of politicians and civil servants. In short, interest group and voter participation may be a necessary but hardly a sufficient condition for good government.

- Many of the services the State now needs to provide, however, particularly in sectoral policy areas, are heavily knowledge-intensive and require administrative and technological sophistication. But the State has been designed institutionally to supply public services and patronage in a top-down fashion at the behest of its officials, and it is increasingly unable to produce coherent, effective policies for a more complex and demanding society. As industrialization and massive urbanization proceed, the old institutions and ways of conducting policy will no longer do if the country is to remain competitive globally while also distributing the gains of growth more equitably among all sectors of the population.

While we focus on what kinds of policies and styles of governance are *not* suitable for today's complexity, we do not aim to identify policy *prescriptions* per se. Rather, in the closing section of the paper we build on the analysis to identify the possible social and economic consequences of continuing along the path of governance that Thailand is

presently trodding, and to identify the conditions that could alter the demands on government and the supply of government services so as to produce alternative scenarios.

2. ADMINISTRATIVE-CENTERED GOVERNMENT: The Era of the Autonomous State

Our presentation is structured somewhat by the historical sequence of events in Thailand, and thus we begin our discussion by focusing on the supply of government institutions and services. References to the "government" and the services it provides are directed at much more than the specific coalition holding political office. We refer instead to the broad array of institutions, agencies, and officials called the "state," in which a coalition of several political parties and their appointees may be only temporarily in command. This distinction between the political masters who rule the country and the government machinery which serves as their tool in that effort has been apparent to most Thai citizens for only about two decades or so. While much of what today's citizens might think of as "politics" occurs in the electoral arena (which includes parliament, the political parties, and the voting process generally), this was not always the case. For most of this century the political process was restricted to the bureaucratic arena under the tutelage of an administrative-centered government.

We shall demonstrate that this era of administrative-centered government had the following consequences:

- Officials of the autonomous state supplied an abundance of institutions and services, but these were not demanded by, nor were they designed to serve, any independent interest groups and voters in society.

- Supply-driven government resulted in the development of rules and procedures that have become increasingly inadequate -- and in some cases inimical -- to the policy requirements of a modern industrial economy.

- The top-down management of these services encouraged officials to exploit the State as a source of patronage resources, and control over the State and its regulations became a vehicle for enrichment and political survival. These rules of the political game shaped the strategies of the political parties in the post-1973 period as well.

2.1 The Golden Years, Blessings, and Damages

Prior to 1973, which marked the collapse of a military dictatorship and ushered in more frequent episodes of electoral democracy, Thailand was ruled by a small band of military officials and permanent civil servants who on a regular basis assumed most of the seats in the Cabinet. That was the era of the autonomous state, when both the demanders and suppliers of public services were the administrative elite. During that era Thai society was much less complex than it is now; there were few organized interest groups to express citizens' demands; and the services the bureaucratic elite needed to provide, even to ensure their own revenue needs and lock on power, were rudimentary and unsophisticated. Competing factions of the bureaucratic elite (military and civilian) had dominated the machinery of the state since 1932, the year that soldiers staged an uprising against the palace and founded a "constitutional" monarchy. Of course their origins preceded that year. The functional bureaucracy as we know it today was created by King Rama V in the 1890s to ward off colonial intervention and centralize political power in the capital city. By instituting a professional civil service and later a professional military, however, King Rama V created a class of officials which became the undoing of the absolute monarchy. The "constitutional" monarchy founded in 1932 was a pact by which cliques of generals, in alliance with the civil service, claimed the right to rule almost unchallenged for the following four decades.

It has been argued that an autonomous state run by generals and enlightened civil servants is one prerequisite for an orderly, efficient, and effective government. Because such a state is free from the parochial demands of interest groups, so the argument goes, the administrative elite, insulated from society by the fortress of military rule, is able to identify objectively the tasks to be undertaken by the state to let an economy grow and a society prosper. Members of the elite become Platonic guardians who determine what is best for society above what is good for particular interest groups, and, ultimately, it is the heavy hand of the military that prevents interest groups from interfering in the guardians' judgment. Such a state might even be run by an enlightened despot who refuses to yield power on the basis of the good fortune he brings to his society. Singapore under Lee Kuan Yew and South Korea under Park Chung Hee come immediately to the minds of the proponents of this view.

As a general rule, this argument fails because an autonomous state can easily become parasitical on its society. We stress that the degree to which the administrative

elite is "enlightened" is highly contingent on both the values of the elite and the nature of the institutions at the elite's disposal. Dictators can profit as much from plundering their economies as they can from making them grow. An autonomous state might be accountable to nobody but itself. It might choose to rule in the interest of its officials alone.

In this respect Thailand has been both cursed and blessed by the particular brand of autonomous state that it inherited from the events and aftermath of 1932.

Thailand has been cursed because the military cliques that took control of the State in 1932 quickly mastered the legal and administrative means to convert the autonomous State into a fount of patronage and corruption. These officials used their positions of power to intervene in the economy and appropriate resources for enriching themselves and their bands of young and ambitious officers. They appropriated resources in two respects. Under the auspices of an economic nationalist policy lauched by Prime Minister Phibun Songkram in 1939, generals and senior bureaucrats forced the predominantly Chinese commercial elite to enter into business partnerships in which the officials were awarded shares in the enterprises in exchange for extending protection and business priviliges to the Chinese. Military and bureaucratic elites also engaged in an enormous amount of graft at the expense of the taxpayer, diverting millions in public funds to ailing state enterprises they had promoted in the interest of generating resources to fund their political activities. Between 1939 and 1957 over 100 state enterprises were created by successive cliques of generals. Many of these had racked up millions of dollars worth of debts which had been guaranteed by the central government. An investigation by the World Bank in 1957-58 concluded that only a small minority were operating as viable business enterprises (World Bank, 1959). These were the most egregious of the plunderous activities carried out by the autonomous State, in addition to a host of other interventions and regulations that were concocted primarily to yield graft for particular groups of officers and bureaucrats. By the mid-1950s these activities had worked some real havoc on Thailand's macro-economic stability, posing a serious threat to the country's future economic prospects.

Thailand has been blessed, however, by the fact that its autonomous state, even under these severe circumstances, was never a coherent, unitary actor. The Thai State instead was a balkanized state. Just as the cliques who plotted against one another were never united, the government departments and public enterprises worked effectively as independent domains, albeit under the common rubric of the State and the Nation more

broadly. It was of fateful consequence that among the ranks of the civil service there was a small group of Western-trained technocrats who were well-tutored in the canons of sound economic management and who adhered to a different set of values and normative policy objectives. Concentrated in the upper ranks of the Ministry of Finance and the Bank of Thailand, these technocrats gained prominence under the stewardship of Prime Minister Sarit Thannarat following his total takeover of the government during 1957-58.

Prime Minister Sarit found it quickly in his interest to exploit the lack of unity in the State. By granting the technocrats a mandate to tidy up the sectoral ministries and state enterprises, Sarit presided over a series of economic policy reforms that effectively curtailed the State's economic interventionist policies and repaired some of the economic ruin that had been caused by the cliques of generals who rivalled Sarit for power. While Sarit was by no means free of corruption (he was probably more corrupt than any other officer, then or since[2]), he gained politically from disciplining the corruption of his rivals and thereby curbing the resources which could have been channelled into funding any opposition to his rule from within the ranks of the military and civil bureaucracy. Instead of short-sightedly plundering directly from the currently available resources, as military officers commonly did before 1958, Sarit allowed the economy to grow and *then* skimmed off from that growth.

The technocrats conducted a number of policy reforms which became the essential underpinnings of the economic growth strategy Thailand was to pursue up to the present (Christensen et al, 1993; Siamwalla, 1993). In consultation with the World Bank, the technocrats created the National Economic Development Board (later called the NESDB), the Bureau of the Budget, and the Board of Investment (BOI) and located them in the office of the prime minister. Subsides and debt instruments for state enterprises were curtailed sharply; accounting systems in the sectoral ministries were introduced or revamped; and the Budget Bureau was empowered with the authority to scrutinize and vet the spending requests of the line ministries. In so doing the technocrats stabilized fiscal management, cut leakages of public funds, and permitted more centralized planning and monitoring of government investments in public services. In one stroke Sarit and his guardians of macro-economic stability restricted the negative consequences of the corruption which had steered the economy toward a perilous decline. They also secured the economic fundamentals

2 At the time of his death, an enquiry into his finances was able to establish that he had an estimated wealth of Baht 2.8 billion in 1963. Allowing for the fact that the nominal GNP has expanded by about 25 times since those days, this translates to Baht 70 billion in relation to the present-day economy.

which were to encourage three successive decades of unprecedented private sector growth -- in both agriculture and manufacturing.

Both the curses and the blessings of state autonomy during this period confound the argument in favor of an enlightened despot. For Thailand, the autonomous state had become the country's biggest threat to the viability of its economy, and the parochial demands which Sarit's technocrats fended off came not from conventional interest groups, but from within the ranks of the bureaucratic elite. Officials had learned well how to exploit the privileges which could be appropriated from within the bureaucratic arena. And while the patronage system remained intact, its potentially negative consequences on economic stability were strictly limited by the guardians of sound finance. One can almost discern the outlines of an implicit deal between technocrats and the government leaders then and since: technocrats would not encroach on the sectoral and microeconomic mismanagment which benefits the political masters, while the latter would allow the technocrats to keep control over the macroeconomy. The goose would be allowed to continue to lay the golden eggs, some of which enriched the political leaders, which in that era came from among the military and bureaucratic elite.

The ability of the bureaucratic elite to continue exploiting the patronage potential of the State is evident in a variety of fields. Sarit's appropriation of the government lottery office funds is of course well known, and may have been the single largest source of his wealth. Another telling illustration is the pork industry, which fell under the control of Sarit's Interior Minister, Field Marshal Prapas Charusathien (who became Deputy Prime Minister under Sarit's successor, Field Marshal Thanom Kittikachorn). Prapas helped cause what is perhaps the biggest tragedy in the Thai agribusiness sector during the post-War period. He transferred the shares of Bangkok's largest slaughterhouse to his Ministry, banned the shipment of pork from the provinces into the capital, and imposed a tax of several baht on each pig slaughtered, most of which remains unaccounted for. Provincial slaughtering was subject to a similar set of regulations, all under Prapas' direction. These arrangements severely damaged the development of the pork industry and remained a considerable source of graft for Interior officials and local police well after Prapas' demise in 1973 (Krannich, 1978).

Corruption in high places rewards its perpetrators well and they are almost never punished. Only one cabinet minister was jailed for corruption during the entire postwar period. Only three of the country's leaders had their wealth confiscated, one (Sarit) after

his death and two (Thanom and Prapas) after their fall from power. Corruption, though, is not limited to the highest offices. It is one of the core elements of the system of patronage which continues to pervade the institutions of the central bureaucracy. Its persistence and utility in cementing political relationships -- both during the era of the autonomous State and still today -- are a testimony to a conspicuous absence of accountability in the Thai body politic and the failure of constitutional mechanisms thus far to create the basis for it (see Box 1 below).

Box 1: An Essay on Accountability

The Thai language has no word corresponding to the notion of accountability. That the Thais have lived happily without having to invent a word like accountability indicates that this idea is not part of our normal social life until now. Actually, the Short Oxford Dictionary states that the English also seem to have got by without 'accountability' until 1583. Apparently the notion becomes essential as a society reaches a certain degree of complexity. We need to explore why it is that we require the notion of accountability at this particular juncture in our society -- for the term now is much bandied about in its untranslated English version.

Accountability presupposes a hierarchy of sorts. One has to answer for one's actions to a person or persons who are "superior" in some sense. An underling is accountable to his boss, his boss is accountable to someone above him, and so on, and a company's chief executive officer is responsible ultimately to the shareholders. In public life, civil servants are accountable to their ministers who are in turn accountable to the parliament. Individual members of parliament are, in their turn, accountable to their electorate.

But hierarchies can exist without any need for a system of accountability. Traditional Thai society and its political system was rigidly hierarchical, and our forefathers could live without any system of accountability. The glue that held society together was loyalty. Loyalty is a relationship between actual persons. A client was supposed to be loyal to his patron regardless of the office each might be holding at that moment (one signifcant exception: all subjects must be loyal to their King regardless of who the particular occupant of the Throne may be at that moment). It also lacks specificity. The client was supposed to show loyalty to his patron in a wide variety of contexts. Ultimately, loyalty is also a relationship of unequal power.

continued.....

Box 1 continued.....

Accountability is somewhat more abstract, but also more specific. It is more abstract in that it is a relationship between offices, not between persons. A company executive is accountable to its shareholders regardless of who they are -- where there are stock markets, the membership of shareholders will vary from day to day. But because it is a relationship between offices, the accountability is specific to the tasks that come with the office. The executive must act honestly and efficiently in his job, but he is not expected to be the errand boy of a shareholder, however big her holding may be. There is also in accountability no general presumption of unequal power.

Both loyalty and accountability are required because in most hierarchies, the subordinate must be given some latitude in his actions. He is then evaluated, not on how obedient he has been to specific commands (that is the Army's method of control -- but the Army's problems are in a class of their own), but how he has performed in his role, either as a personal client or as an office holder. The standard of evaluation may have different degrees of precision, depending on the circumstances, but by and large, because of their specificity, evaluation is probably somewhat more precise in the case of accountability.

Accountability -- the very word itself is bourgeois -- comes about at a particular time in a country's economic history, and is part and parcel of the differentiation and specialization of society made possible by the development of markets. In business, accountability becomes a key concept when the functions of ownership and management are separated. In public life, a system of accountability has to be built up as government becomes less personalized, and a cadre of people come into being whose entire function in life is government. These are the civil servants, the army officers, and the politicians. Its introduction has to be done by means of legal and constitutional mechanisms rather than power mechanisms.

Thailand's political system is at this juncture. It actually has been at this juncture for the last six decades, without any progress in implementing a system of accountability on its civil servants and politicians, still less on its army officers. The reason why the society still hangs together without breaking down is because we have borrowed the notion of loyalty from earlier era, and used it as a substitute control mechanism. But, as indicated above, loyalty is a power relationship. Its permeation throughout society is both cause and consequence of the reason why Thailand still remains far from being a fully democratic society.

As the underlying basis for patronage was never reformed, despite the development of a modern bureaucratic structure, the patronage potential of the State provoked fierce competition for control over the government machinery in post-1973 electoral politics. Where the politicians were concerned, access to State became something worth fighting for. Numerous businessmen set up political parties in the mid-1970s and spent enormous sums of money on winning office. Once elected these parties sought to become part of a coalition government, a privilege which gave their MPs access to Cabinet portfolios and all the resources that could be generated from those posts. Data presented in Synthesis Paper III show that businessmen were the largest group to gain access to these positions since the mid-1970s. Businessmen held fully 60 percent of the Cabinet under Prime Minister Chaitchai's first government (1989-1990), an indicator of the increasing penetration of the State by one of the key interest groups (using the term loosely) to emerge in the post-war period. These politicians had a preference for the Ministries of Agriculture, Commerce, and Industry for obvious reasons -- the Ministry of Agriculture yields patronage resources for rural voters, while the authority over foreign trade (Commerce) and the industrial infrastructure (Industry) creates abundant opportunities for politicians to allocate favors to the businesses that finance their campaigns.

Elected politicians, however, have not put the bureaucratic elite at bay. The bureaucratic elite has retained its power and status by its control over important regulations, procurements, and the state enterprises, to name a few instruments at its disposal. The military in particular appears to have done a thriving business at the expense of the taxpayer throughout the post-1973 period. It was in the transition from a counterinsurgency outfit to a more modernized and internationally-focused force (with Vietnam as the pretext) that the Thai military exploited the arms procurement business. Arms spending rose sharply in the latter 1970s, helping to cause a run-up of the country's foreign debt and a severe balance-of-payments crisis by 1982, and continued to increase steadily throughout the 1980s. Senior military and administrative elites have resented the need to share their lucrative sinecures with the swelling ranks of elected politicians. The February 1991 coup represented an attempt by the bureaucratic elite to reassert their autonomy and rewrite the rules governing the politicians' access to the central bureaucracy. The rise of the politicians, however, reflects a much wider development of societal interest groups outside of the bureaucratic arena, and these groups have become increasingly intolerant of the bureaucratic elite's control over the State machinery.

2.2 The Legacies of Administrative-Centered Government

It is arguable that this pessimistic interpretation ignores the good performance of the State's infrastructure programs which got underway in the 1950s and were given coherence under the five-year development plans. This counter-argument might apply not only to physical infrastructure such as roads, power, and ports, but also to more intangible factors such as primary education. One common feature unites all these successes: building roads, dams, power stations, even building schools and training teachers to staff them can be done with a *top-down* approach. The top-down approach requires very little project monitoring and evaluation or enforcement of performance criteria on economic sectors, interest groups, and firms. Tasks which require a top-down approach can be accomplished with a very minimally-qualified bureaucracy, provided the budgetary resources are available to finance development projects and to hire qualified consultants.

The development plans and budget process provided the basis for more effective planning and management in these fields, and there is evidence that Sarit promoted competence by improving the level of education and skill throughout the civil service.[3] With the generous assistance of foreign foundations and aid programs, civil servants were sent abroad by the dozens to upgrade their education, while many more entered graduate programs ranging from the social sciences to engineering which were launched in Thailand's major universities (Muscat, 1989). Through these methods, Sarit helped to ensure that at least some key policies were not wholly captured by administrative elites and that they did result in the provision of effective *public* services for the society.

The State's macro-economic policies -- again something ideally suited to and in fact almost *requiring* a top-down approach -- also provide evidence to dispute the notion of an incompetent autonomous State. Stable exchange rates and fiscal prudence have kept inflation at a nominal level, encouraged investment, promoted trade, and permitted the private sector to focus on long-term strategies over pure speculation. The macroeconomic technocrats also handled structural adjustment fairly competently in the mid-1980s, bringing fiscal deficits swiftly into balance and curbing the foreign debt which had risen sharply.

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[3] The educational records of senior civil servants which have been documented in Xuto, 1987 and tabulated in the background paper Christensen, 1991. See also Dhiravegin, 1979.

However, where the State needs to conduct knowledge-intensive tasks, and in areas where the State must rely on constant monitoring and feedback of results, the institutional weaknesses clearly show. In contrast to macroeconomic management, in sectoral policy-making there are severe weaknesses which are impairing the state's capacity to govern effectively. The quality of the sectoral bureaucracy is nowhere near the standards needed for today's complex tasks as Thailand surges into the next stage of industrial transformation away from light manufacturing, and as the Thai population is moving massively into urban areas. The central bureaucracy's top-down approach makes government agencies resistant to input and feedback by citizen's groups in the formulation of many sectoral policies. The approach is also marked by the enactment of layers upon layers of regulations, the enforcement of which is a very non-transparent process which fosters sluggish procedures, abitrariness, and in many instances corruption.

Examples will readily spring to mind:

- Hundreds of lives have been lost as a result of abysmally poor safety regulations and the lax enforcement of the rules on the books.

- Agricultural extension, and to a lesser extent agricultural research, have been marked by a drive to enforce uninformed government policies in the countryside and a concomitant failure to understand the constraints faced by farmers (see Siamwalla, 1992).

- In the area of commodity price stabilization, government agencies have consistently failed to acquire the necessary information base to evaluate supply and demand. Instead the relevant agencies have tried to counteract market trends without understanding how the decisions of individual players in the market both respond to and affect price movements (Pintong, 1984; Siamwalla, 1989).

- A finely-tuned environmental policy that would square economic growth with good environmental quality requires a completely different style of monitoring and enforcement than the existing bureaucracy is used to (Clements-Hunt and Berry, 1993).

- More efficient irrigation management would help to relieve acute surface water allocation problems, but this requires the Royal Irrigation Department (RID) to more effectively process the feedback given to it by farmers so as to improve water

delivery, timing, and other operations and maintenance services (Christensen, 1993; Dolinsky, 1991; World Bank, 1985). Currently the RID prefers to dictate (as opposed to *formulate* in collaboration with water users) its water allocation priorities.

- Even traditional infrastructure projects, such as expressways and dams, cannot be successfully managed with the old top-down approach of having engineers pick the location or the routing and structure design. This mode is no longer acceptable by the people affected, as the numerous political demonstrations and activities of farmers' groups and NGOs have made abundantly clear in recent years. Improved performance would require government agencies to be more forthcoming with information, and to be more receptive to citizens' input when conducting project feasibility studies. As a result, many of these projects are taking longer and longer to be realized.

- Effective research and development (R&D) requires government agencies to coordinate very closely with universities and private firms not only to identify research priorities, but also to intelligently process the feedback yielded by scientific studies. Thus far, competition among public institutions for funding, paired with the bureaucracy's tendency to dictate research priorities in accordance with archaic budgeting and promotional criteria, have inhibited effective public-private interaction (Setboonsarng, 1990; TDRI, 1992).

The problems of governance from which Thailand is now suffering stem from inconsistencies in its policy-making process and the poor capacity of its institutions to manage the feedback from society which is needed to accomplish complex tasks. These problems were inherited from the era of the autonomous State, but they are not unique to Thailand. They are referred to by the World Bank as aspects of "poor governance" (World Bank, 1992) and run as follows[4]:

- Lack of a clear separation between what is public and what is private, resulting in the frequent diversion of public funds for the private gain of officials and their cronies in the private sector

[4] See also Sathirathai, 1987 for the legal aspects of institutional weaknesses.

- An unpredictable framework of law and decision-making, and arbitrariness in the application of rules
- Excessive rules, regulations, and licensing requirements which obstruct fairness, impede markets, and encourage rent-seeking
- Lack of transparency in decision-making, reluctance of the State to disclose information, and hence a lack of accountability of officials to the public at large.

There are at least two institutional legacies of that era that have seriously impaired the quality of government decision making, and public services more generally. One is the legacy of Thailand's system of administrative law. The second is an underskilled, underpaid, and increasingly demoralized civil service.

Legacy of Administrative Law: This subject is addressed in depth in a companion paper by Surakiart Sathirathai, but some of the primary quirks of Thai law merit consideration here. Thailand's civil law code is one of the chief institutional mechanisms that provides the civil service with autonomy from extra-bureaucratic interest groups.[5]

Acts of parliament typically have very little policy content. They allocate enormous authority to subordinate legislations that are controlled by permanent officials and Cabinet ministers. By assigning discretion to the relevant agencies, legal Acts influence the relative bargaining leverage among these agencies in the battles and horsetrading that occur daily over matters of national policy. In this respect permanent officials perform dual roles as the makers and arbiters of the law. It should be noted as well that this administrative discretion is assigned to *departments* rather than ministries, so that an already fragmented state is further balkanized. Consistent application of the law is inhibited and policy-making becomes an opaque process. Needless to say, many laws and subordinate regulations have little to do with genuine economic development objectives, and often they reflect little more than agency-based deals cut among officials from different departments and between officials and private citizens.

The promulgation of the subordinate legislations does not involve input from the legislative branch of government. Parliament as an institution has little authority or interest to scrutinize the activities of the bureaucracy. The politicians' source of power lay

[5] This section is based on portions of Christensen, Dollar, Siamwalla, and Vichyanond, 1993; and Sathirathai 1987.

instead in ministerial appointments. Parliament acts as a vehicle to the Cabinet, but its formal powers are weak, and it has chosen to limit its exercise of the legislative functions.

The low productivity of the legislature and the limited authority the House of Representives enjoys have a number of consequences. First, and most obviously, Thai laws are sometimes grossly outdated. The current legislation guiding the allocation of the electromagnetic spectrum was passed in 1932. The Import and Export Commodity Act of 1979 and the National Forestry Act of 1964 are almost identical revisions of documents enacted much earlier. The current Land Code, enacted in 1954, does not call for comprehensive land surveying and titling, and its outmoded contents are one of the primary reasons the central bureaucracy has failed to issue regular documents to occupied rural land. Second, the extremely slow pace of of the legislative process reinforces the bureaucracy's penchant for proposing laws that give it all-encompassing powers, to take care of as many future contingencies as possible. And third, since the laws give the bureaucracy extremely broad powers, it is difficult to liberalize particular sectors of the economy, as one government's liberalization exercise, however sincere, can be overturned by the next.

In this context, coups d'tat perform an important function, although this is not the reason why Thailand has had so many. In the first flush of a coup the junta usually assumes broad legislative powers, and the decrees issued by juntas remain on the books on par with Acts of parliament. Normally, within weeks after a coup, the junta appoints members to sit in a legislature from among military officers and civil servants. Usually this body will then break the legislative logjam which developed in the previous sessions of an elected parliament. Consequently, although the length of time there has been an elected legislature between 1957 and 1992 is about half of the total, the number of laws passed by them is only about a quarter (see Table 1).

Table 1 Laws Enacted by Different Types of Legislatures, 1957-1992

Type of Legislature	Junta	Appointed	Elected	All
Number of days in office	545	5,856	6,215	12,616
Number of laws passed				
Amendments	138	600	261	999
New laws	250	626	170	1,046
Total	388	1,226	431	2,045
Number of articles in the laws				
Amendments	804	4,587	1,848	7,239
New laws	1,910	16,954	4,418	23,282
Total	2,714	21,541	6,266	30,521
No. of laws passed per month in office	21.7	6.4	2.1	4.9
No. of articles per new law	7.6	27.1	26.0	22.3

Source: Appendix Table 1

Now, it is possible that a wise set of leaders could exploit such a situation and use it to ram through a variety of measures for the *good* of the economy and society. We have seen episodes like this in Thailand's very recent past. But we caution that a coup and bureaucrat-dominated legislature *do not necessarily guarantee that a corps of Platonic guardians would assume the reigns of power.* Genuine reformers are few and far between in the Thai body politic, and reform episodes in Thailand do not spring from a continuous and goal-oriented development strategy (with the exception of macro-economic policies, but then these have nothing to do with the familiar crowd of politicians and generals which have ruled the country on a consistent basis). Rather the spurts of reform are infrequent and ad hoc, and hence unpredictable and by no means assured (Siamwalla, 1993).

Most important of all, in the civil law code the individual's rights are not protected uniformly from the state, as they are in the common law tradition of Britain or the United States. Instead, the concept behind Thailand's civil code is that the bureaucracy is to *regulate* individuals in society. This feature immunizes the bureaucracy from lawsuits against its arbitrary exercise of power, thereby giving officials considerable discretion to determine who wins and loses in the allocation of resources which are regulated by the state (Christensen and Rabibhadana, 1993). Worse still, such discretionary power fosters an attitude of dependency towards the bureaucracy among the citizenry, particularly in rural areas.

Civil Service in Decline: Surprisingly, the era of state autonomy did not result in increases in the real salaries of civil servants. On the contrary, compared to the prewar situation there has been a stunning decline in the incomes of the civil servants. Chart 1 indicates the real incomes earned, adjusted for cost of living increases, by the highest paid permanent officials spanning the century from 1909 to 1990.[6] Expressed in terms of baht per month earned, incomes for the highest officials (rank of permanent secretary of a ministry) in 1990 were worth about 15% of their real value for the year 1909. The sharpest decline during the century occured during World War II, when inflation literally devastated civil service salaries. As indicated in the Chart, salaries have hardly recovered from the downward impact of the wartime inflation. The modest salary increase authorized by Prime Minister Chatichai in 1990 had virtually no effect at all on real incomes. And while we have not factored in the data from Prime Minister Anand's pay hike, we would expect that increase to post only a modest gain on the scale.

By comparison, real salaries for the lowest-level civil servant (again adjusted for increases in the cost of living) have recoved comparatively better from the wartime inflation (Chart 2). The reduced differences between the highest- and lowest-ranking civil servants have clear implications. While for poor Thais the civil service continues to provide reasonable employment and long-term security, the situation is exactly the opposite for wealthier, well-educated, and highly-skilled professionals. At the upper end, civil servants have not been taken care of at all, a fact which accounts for the pervasive "brain drain" problem, for the protection of administrative sinecures, and for the (alleged) persistence of corruption throughout the upper ranks of the bureaucracy. For senior civil

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6 We are indebted to Peter Warr and Bhanupong Nidhiprabha for allowing us to use the data they have compiled for a forthcoming study on Thai macroeconomic management.

servants, their access to state enterprise boards, national policy committees, and connections with private sector clientele provide sources of incomes that help to compensate for their trifle salaries. Hence they are eager to protect these sinecures against the intrusions of the politicians. But apart from these sinecures (which, we remind the reader, are *never* guaranteed and hence cannot be considered an attraction to the civil service) there are few incentives for a qualified professional to make the civil service a lifetime vocation.[7]

With this precipitous decline in the level of real incomes of civil servants, in an economy where the average per capita real income has been increasing at about 4 per cent per annum in the postwar era, the surprising thing is that Thailand still manages to get some very good civil servants, who would stand comparison with the best and the brightest anywhere in the world. However, it is also true that among the new graduates, the private sector has been able to cream off some of the better and brighter students into its staff. In the middle levels, some of the best civil servants are being lured away daily, particularly in such areas as engineering and the sciences where the shortage of manpower is the most acute.

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7 This does not necessarily apply to macroeconomic policy officials, for example those in the Bank of Thailand or the Ministry of Finance. Bank of Thailand officials are extremely well paid. Ministry of Finance officials are normally rotated to tax-collecting departments, where they are (legally) entitled to share in the rewards when tax evasion is detected and prosecuted. This compensates to a certain degree the inadequacies of the regular salary. There is also a growing body of evidence to show that Finance Minstry officials consistently are able to obtain attractive positions during mid-career in the finance and banking industries. We have not tested in any systemmatic way, for example through surveys or qualitative interviews, whether this emerging pattern of a mid-career shift influences decisions at the start of one's career to enter these macroeconomic agencies.

Chart 1 **Real Salaries of the Highest Ranking Civil Servants, 1909-1990 (adjusted for cost of living increases)**

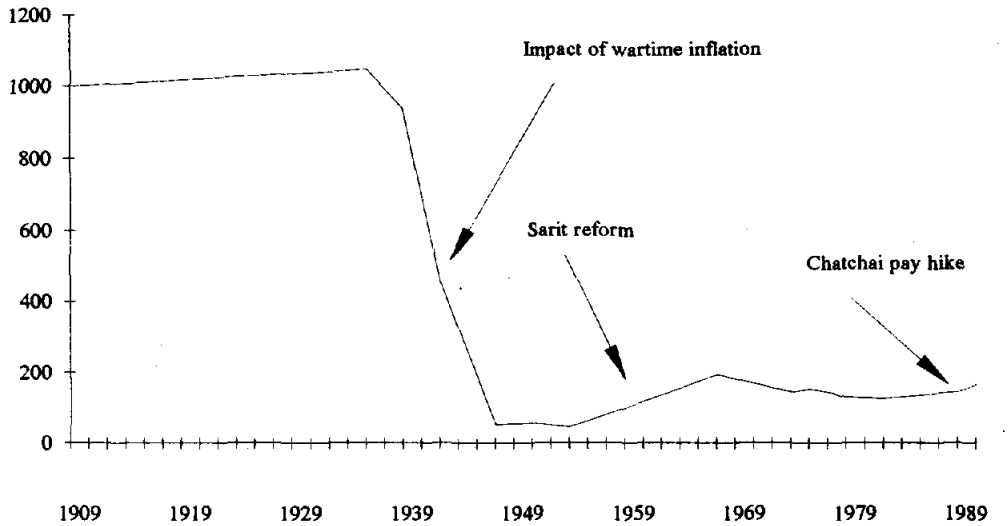
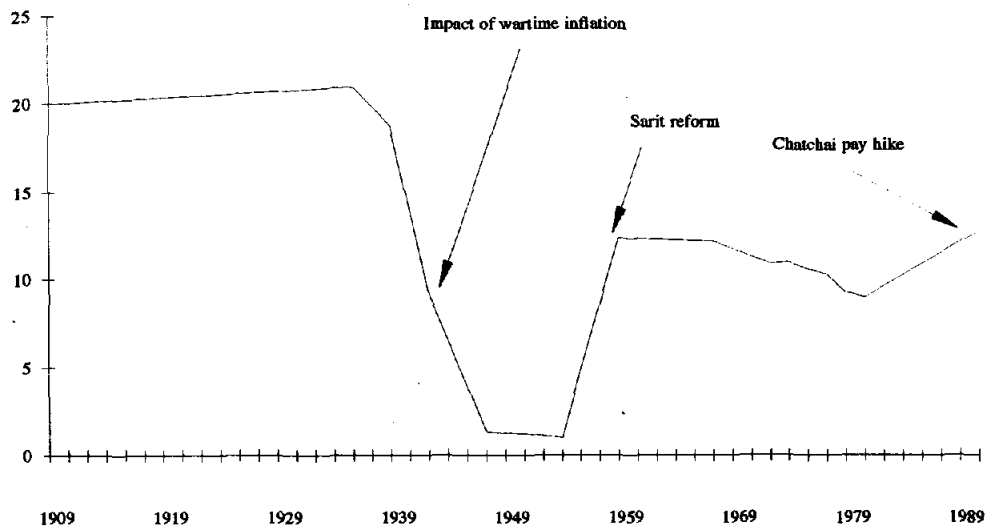


Chart 2 **Real Salaries for the Lowest Ranking Civil Servant, 1909-1990 (adjusted for cost of living increases)**



Source: Bhanuphong Nidhiprapha and Peter Warr, unpublished data made available by the kind permission of the researchers.

Instead of an effective state which can anticipate problems and respond with appropriate long-term policies, Thailand has a state which responds to the immediate patronage demands of those enterprising groups who can gain temporary access to the offices and policy instruments of the State. The rules and procedures associated with the bureaucracy were not designed to provide sophisticated services which are now in need as society and economy become enormously more complex. While the State is incapable of *acting* coherently in response to development needs, it is frequently *acted upon* by individuals and interest groups. What is demanded by these citizens' groups, however, may not be the same services that the State must provide in an increasingly complex, industrialized, urbanized society. Not particularly long on modesty, the Thai State has been quite responsive to these various and contradictory demands, blissfully unaware of its limited capabilities. Indeed, the crude policy intruments sometimes wielded by the government provide occasion for specific businesses to rake in a great deal of benefits for themselves. Take, for example, the government's agricultural price support policies, where a humane concern to help the farmers has led to some of the most corrupt interventions by the government. The same could be said of the privatization policies, in themselves a laudable direction for Thailand to go, but they have led to some of the most incompetent (and presumably corrupt) transactions that the Thai government has indulged in for a long time.

This patronage potential of the State has provided incentives and opportunities for interest groups to organize and demand resources from the State. We now need to examine the various groups that act upon the government.

3. DEMANDS ON GOVERNMENT AND ITS RESPONSES

A Northeastern villager whose adult life began around 1958 when Field Marshal Sarit assumed total power would be aware of two forces that began to impinge on his life with increasing insistence. The first is the widening presence of the State and its agents in the countryside. The second force is somewhat subtler and more abstract, but nonetheless powerful: the increased intrusion of the market, made possible by a remarkably sustained economic growth.

The reforms that provided the country with a stable macroeconomic environment have in turn made it possible for farmers and businessmen to play the central role in the growth of the economy throughout the ensuing three and a half decades. Government has played an *enabling* role that allows economic growth to go forward, propelled, first by the farmers and, increasingly since the 1970s by the business sector. The government has not been able to guide that growth in any particular direction. Far from it. As we have argued in Section 2, the government has not been able to alleviate some of the real problems that are raised by rapid economic growth. Even in areas where the state used to be competent, namely, in infrastrucutural development, it is increasingly incapable of keeping pace with the economy.

The rampant economic machine has created stresses and strains within the Thai political and economic system. As a result of the growth and the emergence of a vibrant private business sector, new educated groups have emerged that no longer depend on the State for employment. The old unquestioned cultural dominance of the State sector no longer prevails. The state machinery itself is no longer completely controlled by the bureaucracy. The State is becoming less and less an autonomous actor in running the country's affairs. Increasingly, it has been penetrated by powerful interests, among which the business sector is, of course, the most important. The parliamentary system of government is a necessary condition for the penetration, but the parliament itself is also a venue for another form of intervention -- from provincial interests which aim to redistribute resources back to the provinces.[8] The gridlock in the State's provision of public services arises not because these groups demand different and conflicting results -- that is normal in a democracy. Rather the gridlock arises because the groups measure results with different yardsticks.

We thus have the paradox. From a villager's point of view, the State's presence in the countryside is increasingly palpable. In this sense, the Thailand of today has fulfilled King Chulalongkorn's dream to have a modernized (i.e. Europeanized) Thai state able to physically control the whole country, without any local chieftain (or comrade) exercising subsidiary sovereignty. For the villager, however, the dependence that he had to the local chieftain has not completely disappeared, but is now transferred either directly to the per-

[8] See the Synthesis PapersVol. III for a macro analysis, and Siamwalla, 1992 for a rigorous application of the analysis to voting behavior.

sonnel of the State or indirectly and informally to the local strong men who derive their ultimate power from their close connections with the State's personnel.

From the point of view of a Bangkokian, be he a member of that amorphous "middle class" or of the business elite, the Thai state is increasingly failing to perform many of the standard functions that one would normally expect a State to perform. The most dramatic examples in the last few years have been a crowded calendar of "accidents" that arose at least as much out of the failure of the governmental regulatory mechanisms as any other factor. These accidents, by the way, have been quite democratic in their incidence, affecting affluent middle class people, poor workers, and slum residents, and Bangkokians and provincials, alike.

3.1 The Decline and Fall of the Autonomous State

Politically, Sarit's regime marked the peak of the autonomous State, when he and the bureaucracy together wrought the enormous change in the State's machinery, part of which we have described above. Sarit's reforms sowed the seeds of the State's decline. The liberalization of the economy, particularly from the policy of economic nationalism of the 1950s, succeeded at promoting a Sino-Thai business class committed to Thailand but far less beholden to the State. The reform of the university system created among the lecturers a cadre of professional critics of the State, and the availability of private sector and other jobs also made university students less beholden to the State. At the same time, the reform of the curriculum of the military academy (which actually dated from the Phibun era) created a new breed of officers who became ideological to a degree not seen since the generation of 1932. All of these were merely some of the ingredients for the upheaval of the 1973-1976 period.

Tanin Kraivixien's attempt to turn the clock back to the era of unquestioned State autonomy having failed, and the alternative scenario presented by the Communist Party of Thailand having also been put aside, political order could be restored only by working out an arrangement in which new groups of people had to be accommodated, and their participation in collective decisions accepted by the elite. The Thai elite's genius has been to accommodate exactly what is needed for its survival, and no more. The solution it devised was the restoration of parliamentary democracy, indeed, the creation of a state of affairs in which elections are now more the rule and coups the exception, unlike the 1932-1973 period. Indeed, even though we have had many unsuccessful coups and one

successful one since 1977, all the coup leaders have had to promise an election within a short period after their assumption of power. The promise is given, not because the democratic ideology has sunk deep roots within the military, but because the military now realizes that its old tactics of capturing the State by sending tanks to key positions within the capital no longer works in the face of the veto threat by Bangkokians, as was demonstrated in May 1992.

Elections are promised not only for diversionary reasons. Politically inclined military leaders, such as General Suchinda and his friends, have rediscovered that parliamentarians make extremely useful and pliable allies. In a sense, the alliance between General Suchinda and the parliamentarians was a resumption of what was invented first by General Kriangsak and continued under the Prem government, and which General Chatichai Choonhavan rudely put aside. The key question that followed Suchinda's failed attempt is therefore not so much whether electoral democracy will be done away with permanently or for considerable lengths of time. It will not. Rather, the question is whether the alliance between the military and the parliamentarians will be resumed.

As a first step to answering this question, we have to raise the question as to what uses the parliament and the parliament-based form of government have. Why, despite its weakness in terms of real power, has it been allowed to reappear everytime it has been brought down?

The usefulness of parliament will appear very different from the point of view of the various urban interest groups that the rapid economic growth has spawned, and from the point of view of a rural Thai. Therein lies the central weakness of the Thai parliamentary government.

3.2 The View from Bangkok

The Business Community: Economic growth and, more specifically, industrialization normally would stratify society along class lines. The different classes would then form themselves into interest groups which would try to influence how the society governs itself. In Thailand, the course of industrialization over the last three decades has created a strong interest group among Bangkok businessmen -- indeed it is arguable that they form the only interest group in the proper sense operating in Thailand today. It is important first

to distinguish between the kind of business-government linkages of today from their traditional format.

Traditionally, businessmen have had close links with government personnel going back to the days of the tax farmers and continuing on in the form of a share in business ventures by military leaders. The classical form of such linkages was during the 1950s and the 1960s when the military ruled supreme. They were based on personal connections between businessmen and military leaders and were in line with the patron-client relationships that pervade Thai society, then and now. Such linkages still continue, in certain lines of business, because these businesses require government contracts (construction), concessions (agro-forestry, telecommunications and infrastructure), or because of quotas (commodity trading). But these linkages are no longer permanent or semi-permanent, but episodic arrangements that involve a one-off transfers of funds, usually to individual political leaders rather than to parties. Regardless of the style of payment, one key feature is that such linkages require the government to act discriminatorily in favor of one firm or one set of firms against others in the same industry.

For these reasons, such businesses are the mainstays of party financing. Given the style of government action that we have outlined in Section 2, we do not expect these kinds of linkages to change.

Starting from the 1960s, businessmen have formed themselves into trade or industry associations which provide serious inputs into government decision-making processes.[9] As the economy has become more complex, some of the government interventions, whether in the form of taxes, trade restrictions, or in investment promotion and policies, began to affect a much wider group of businessmen. The shift towards export-led industrialization also has made businessmen keenly aware of the need to be competitive in the world market. There, cozy arrangements with ruling politicians are no longer an appropriate response.

Even without the problems plaguing the Thai civil service, for the government to keep pace with the increasing complexity of the economy would be nearly impossible. Under such circumstances, some inputs from the business community are inevitable. Since

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9 In addition to the four peak industry associations -- the Board of Trade, the Federation of Thai Industries, the Thai Bankers Association, and the Thai Chamber of Commerce -- the sectoral trade associations gained membership and strength as well. The number of trade associations active in specific industries increased from 48 in 1967 to 233 in 1987 (see Synthesis Papers Vol. III, section 2).

the businessmen are competing among themselves, it is sometimes (not always) in their interest to make that input process as formal as possible, so that their diverse interests would be heard.[10] Hence the use of trade or industry associations. Bangkok businesses have also organized collectively to impose a national agenda for business (as opposed to an industry-specific agenda) on the policy machinery as well. Broad-based dialogue with both macroeconomic and sectoral policymakers is essential to formulating appropriate policy responses for competing globally. Many Bangkok businesses have proven adept at utilizing the Federation of Thai Industries as a platform from which to initiate and engage in consultations with leading policymakers, particularly with regard to export-led development policies, specifically for this reason (Laothamatas, 1992). Yet they are still keen to maintain more particularistic linkages with ruling politicians where necessary.

How does the parliamentary system of government fit into the particular needs of this second category of businesses? The answer is by no means obvious. What businessmen crave above all is certainty and stability of government policies. The popularity of the Anand government with the modernized business community arose from the fact that it did try to put in place a set of long lasting reforms (e.g. the value-added tax, the Securities and Exchange Commission, the environmental laws) that would take some of the caprice out of policies. But while the Anand government tried to make its reforms permanent, it was itself an historical accident that is unlikely to be replicated.[11]

Normally, a parliamentary regime was deemed by businessmen to be more wobbly, not least because it was subject to destabilization by the military. One enduring result of the May 1992 crisis may be a new perception that a military regime can also be destabilized and indeed overthrown. It is for this reason that we see some increased involvement of the modernized businessmen in the formal political processes after May 1992. But we believe that this new support from the business community to parliamentary government is heavily conditional on its performance, which given the constraints that such a government would face (see below) is unlikely to satisfy businessmen.

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[10] Formality does not imply that rent-seeking activities would disappear. Of course, businessmen would prefer to obtain special tax privileges, protection against imports and other special favours so that their profits net of taxes are enhanced. The main difference between these modern businessmen and their traditional counterpart lies in the fact that the protection is sought for the industry as a whole rather than for their own specific firms. We admit that the difference in the practices of modern and traditional businessmen is sometime slight. Traditional businessmen have been known to collect money from every firm in their trade to pass on to ministers, in exchange for some special policies that favor the entire trade.

[11] Anand even referred to himself as the "accidental prime minister."

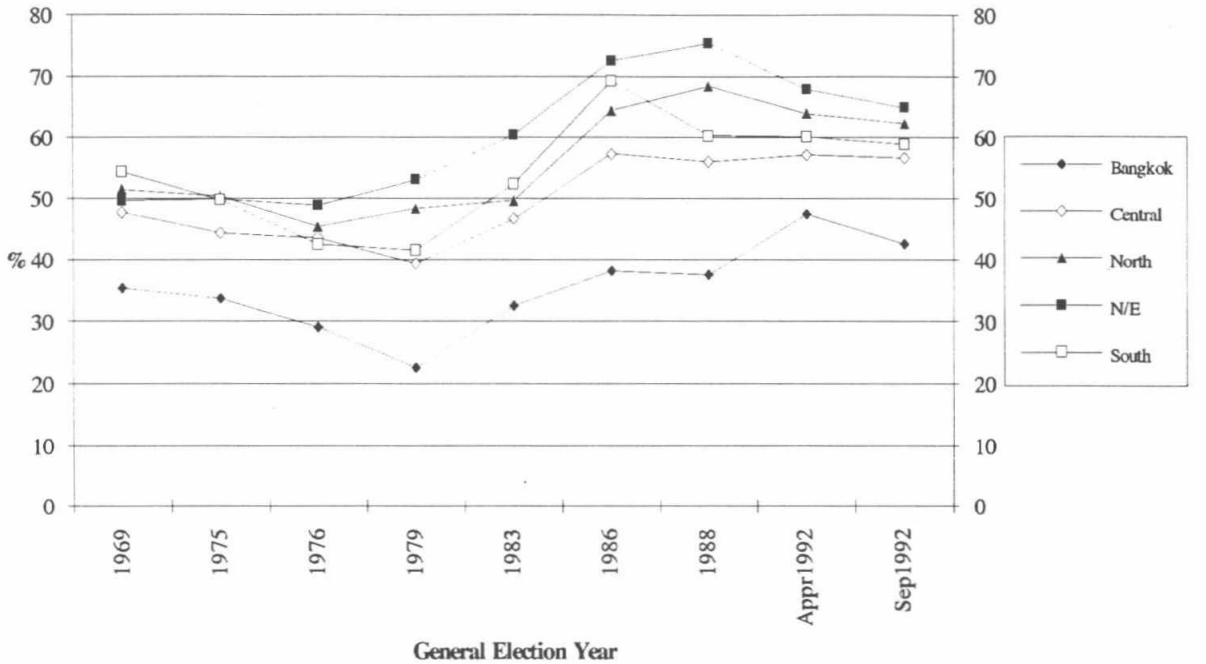
In terms of votes, these businessmen count very little, except as financiers for the political parties. The election of September 1993 was somewhat unique for the support which some of the parties got overtly from modern Bangkok businessmen. That may have been to ensure political stability during the life of this parliament. We believe it is unlikely that such overt support to parties will continue, unless the political landscape changes considerably (See Section 5 below).

The Middle Classes: The mass of votes in Bangkok are those of the "middle classes". The "middle classes" as the plural implies, are a heterogeneous group, and include civil servants (including academics); salaried employees of many of the modern businesses; small businessmen and shopkeepers; and independent professionals. Clearly these various groups have diverse economic interests, but each of the groups has expanded enormously in numbers over the years, on the back of the economic growth of the last three decades. The vast housing estates on the outskirts of Bangkok are but one symbol of their numerical strength.

The first point to note about these middle classes is that, they vote overwhelmingly each election time to stay home. As Chart 3 indicates, voter turnout in Bangkok is consistently below that in the provinces, and it is consistently below a half of those eligible to vote. The second point is that Bangkok voters (i.e. those who bother to show up at the polls) tend to vote for political parties, rather than for individuals as is the case with provincial voters. Shifts in party preferences take place quite frequently (about once per decade). These show much less variety across different city areas than one would expect in a city of 6 million, with the result that the swings in the party representation can be quite dramatic, as in the 1979 and March 1992 elections.

Two out of the three parties vying for the Bangkok vote (Prachakorn Thai and Palang Dharma), are worth a small digression, because they represent urban Thailand, and as Thailand becomes urbanized, many of their characteristics can be expected to spread to other parties as these also have to compete for the urban vote. Despite the intense dislike that loyalists of these two parties have for one another, they do share a common characteristic: they are led by extremely strong leaders and the parties are merely extensions of the personalities of their leaders. The votes that they have been able to garner depends very much on the voters' attitudes towards them.

Chart 3 Voter Turnout in General Elections, 1969-1992 (percent of eligible voters)



Source: Department of Local Administration

Both parties have had trouble expanding to the provinces, although the Palang Dharma has been more successful in doing so in the September 1992 election, but even then their support came mostly from the provincial towns. The reason these two parties have not succeeded in the provinces is telling. Provincial members of parliament, unlike Bangkok MPs, have their own support base independent of the parties to which they are affliliated (see the following section). Most electable candidates from the provinces are therefore somewhat reluctant to submit themselves to the strong subservience to the leadership in these two parties.

Because Bangkok demands a quite different output from their representatives than the provincials, they elect quite a different type of MPs, who must perform differently from the rest of them. This implies that Bangkok's representatives have always been in a minority in the national parliament. Consequently, Bangkokians' attitude of electoral indifference is reinforced, since they do not accept the electoral verdict that comes in from the countryside in favor of the sort of politicians for whom they feel little sympathy.

We have painted here a picture of political apathy among the Bangkok middle classes, largely because the figures bear this out. Nevertheless, such a picture a scant 18 months after the May uprising does require some defense. We propose as a hypothesis that political behavior of Bangkokians displays a sharp discontinuity in response to events, between what we shall call "normal" and "abnormal" times. In "normal" times -- and the word "normal" is here interpreted quite generously -- Bangkokians, and probably Thais in general, are politically apathetic. Observe for example that the *coup d'etat* of February 23, 1991 was greeted with a deafening indifference. Coups had been part of Bangkokians' lives for the last sixty years. What the military did after February 1991 was, however, extraordinary for Thailand. After bashing the corrupt politicians in the previous government, always a popular sport in Bangkok, the military leaders then began to display certain traits that made them resemble the despised politicians more and more, starting with the dispute with the Anand administration over the phone contract, then the deals that were made in the case of the "unusually rich" politicians, and culminating in the flip-flops over the constitution and in the appointment of the new Cabinet following the elections of March, 1992 (44 percent of the Suchinda Cabinet had served under General Chatichai Choonhavan, so that the look and feel of the two cabinets are almost identical). It was at this point that Bangkokians came out on the streets.

An examination of the events that led to two previous outbursts -- the 1957 march against Field Marshal Phibun Songkram for rigging the elections in that year and the 1973 uprising by the students -- shows quite clearly the possibilities of political mobilization, albeit circumscribed possibilities. A major factor linking those events and the May 1992 uprising is the cynical indifference to public opinion displayed by the ruling establishment.

The uprising of May 1992 is important because it reflects certain traits about political participation in Thailand. Bangkokians are generally apathetic towards the conventional sort of participation, i.e. in elections, unless some parties or personalities (Major General Chamlong Srimuang comes to mind) capture their imaginations. Even in this case, the proportion of voters who stay home is more than half. But the other sort of participation arises only in extraordinary circumstances. To be sure, those who actually attended the demonstrations were a minority of Bangkokians. But if the intensity of feeling among Bangkokians is high -- which is suggested by the participation of numerous professionals, owners of small businesses, and other members of the middle classes in the May 1992 demonstrations -- it is difficult for the authorities to regain control of the

situation. Indeed, as one astute observer of Thai politics has put it, the crowd in the streets on the evening of May 17, 1992 "was neither a rabble nor the radical fringe."[12]

The working class: One group has been notable by their absence in the political life of urban Thailand, namely industrial workers. As voters, they do not pull their full weight. Many of them have not changed their household registration from their villages, so that if they vote at all, their votes will be dispersed across the rural provinces of Thailand, rather than concentrated in the industrial belt of the country.

What of the role of unions as interest groups that could apply pressure on the government in the same manner as businessmen? Before their dissolution by the National Peacekeeping Council, the most organized group within the labour force has been the state enterprise workers. But by and large, it is fair to say that they have played a subservient political role. The peculiar relationship that they have had with management would continue to make their role subservient, even if they are allowed back into existence again.

What is the more interesting question is the future role of private sector unions. By and large, workers there still remain unorganized, but we believe that this situation is somewhat anomalous. We believe that the the reason why the private sector remains weakly unionized is because most men and women who work in the factories are first-generation migrants from the countryside, who have not completely pulled up roots from their home villages, and therefore still entertain hopes that one day they will return back there. In particular, if they find that working conditions are unsatisfactory, they simply move back to their villages. In the terminology made famous by Albert Hirschman, they would then use the exit option.

However, as agricultural incomes will continually lag behind income from the factories, sooner or later, these migrants will begin to look to a lifelong prospect of factory work. Once they realize that the exit option is not a true option, they will have to consider seriously the voice option. We shall explore the possible political repercussions when this option is exercised in Section 5 of the paper.

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12 Paribatra, 1993: 889. A quick survey conducted by *The Manager Daily* and the Social Science Association of Thailand of 2,000 participants at the Sanam Luang rally of May 17, just hours before violence broke out, found that over 70% of the respondents were in the 20-39 age group; nearly 60% had bachelor's degrees or equivalents; nearly 50% were employed in the private sector; and over 50% had monthly salaries of over 10,000 baht or incomes of this size from their own businesses. The results were published in the May 19, 1992 edition of *The Manager Daily*.

3.3 The View from the Provinces

People from the provinces look to politics to achieve a completely different objective than those in Bangkok, and this shows in their electoral behavior. This arises from their perception of the role that Bangkok has played in the political economy of Thailand.[13] There are two issues which together explain their electoral behavior.

Since indirect taxes feature so importantly in our fiscal system, provincial people are taxed proportionately to their incomes about as much as Bangkokians, in fact, in the past probably more, when one factors in the implicit subsidization of urban consumers by the rice export tax. Of course their incomes are much less than the average Bangkokians, but surprisingly for a country with such a lopsided income distribution to begin with, there has been very little talk of Bangkok exploiting the rest of the country. What talk there has been has come from academics in Bangkok. On the contrary, provincials tend to look to Bangkok as the fount of all the wealth in the country, wealth that they do not feel is theirs by right. On the contrary, the powers that be in the capital has to be cajoled, tricked, or persuaded into giving the countryside the resources.

Traditionally, the capital was also the fount of all the patronage which dates back to ancient times, since, at least in theory, it held all the coercive power in the kingdom. The combination of wealth and patronage has thus engendered a feeling of dependency on the largesse of Bangkok -- a dependency in which the various provinces have to compete for the attention of a mostly inattentive capital. Picture a brood of yelping children competing for the attention of an absent-minded mother.

Consequently, when the provinces are *granted the opportunity* (and we choose this expression with care) to vote by some events in Bangkok over which they have little say, the main point they see to having their own representatives is for the latter to extract as much resources as possible from their wealthy capital.

Reinforcing this broad picture are the provincial social structure and their economic activities, and how public policies have influenced these. At this point we need to separate our discussion of the provincial towns from the countryside.

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13 For background see Synthesis Papers Vol. III.

Towns: Traditionally, the main economic activity in most provincial towns had been the government itself. Government expenditures and expenditures by government personnel once supported a fair proportion of a town's economic activity. The rest of the economic activity would be to service the agricultural sector, the predominant economic contribution of provincial Thailand. If the marketable surplus from the sector was small in any given province, then so was its commercial sector.

It is not surprising that at one time political control over the local government within these towns came from government officials, particularly teachers. As the commercial sector grew, and as the Chinese community became assimilated, businessmen's representation in provincial politics also grew (Dararat, 1992). But the role of the traditional agro-commercial sector in the provinces is not as strong as one would expect, save in cases where the agro-commercial firm is part of a conglomerate which includes firms in the more politically strategic sectors.

The main thrust to business involvement in provincial-level politics is the growth of public infrastructure expenditures in the last three decades. In the first two of these decades, much of the spending was at the national level. Where highways, dams or electricity systems were involved, much of the actual construction was done by foreign or Bangkok contractors. But increasingly, local networks of roads and minor irrigation projects, have come to dominate what the public sector does in the countryside, with the local administration and municipal councils having more say on which projects were to be pushed forward, and who would be given the contract. It is therefore no accident that throughout the Kingdom, the key business interest represented more than proportionately in the municipal governments of most towns or in the provincial councils comes from the construction sector. But political connections are also required for other businesses, such as transport, liquor distillation, and distributorships for cigarettes and the lottery.

Not to be overlooked are the myriads of illegal enterprises that pervade much of the provincial economies, such as smuggling, prostitution, narcotics, timber, and probably the most lucrative business of them all, gambling. As illegal businesses, one would expect them to be run independently of the State as examples of entrepreneurial get-up-and-go. Not so in Thailand. As is now well known, most of these illegal businesses can exist only with the connivance of government officials. For their operators, therefore, again good political connections are essential.

In all these cases the provincial firms' business interests lack the autonomy that the modern Bangkok businessmen have acquired in the last two decades. When all is said and done, provincial businesses are very dependent either on Bangkok businesses (dealerships) or on the government (construction) or on government personnel (illegal businesses). Consequently, the political involvement of provincial businessmen have remained very strictly local, except in a few rare cases, where an extremely powerful "jao pho" have been able to extend his zone of influence over a few surrounding provinces. The provincial businessmen have therefore not exerted power on national politics as an organized interest group compared to their Bangkok brethern. Whatever influence they have had on national politics is in their individual capacity, either as a member of parliament or as a friend of the powerful.

Towns are important only as the place where political leadership for the province is spawned. Electorally, they carry little weight compared to the countryside that surrounds them. Important exceptions are some larger towns such as Chiang Mai, Khon Kaen, and Nakorn Ratchasima, where, a middle class is beginning to emerge, mimicking the pattern of Bangkok of three decades ago.

Countryside: It is in the countryside that Thai elections are won and lost. There is one overriding myth (held by Bangkokians) about electioneering in the countryside. It is in the form of a causal chain which goes something like this:

Rural voters are poor and susceptible to bribery by candidates;

therefore

candidates bribe voters and spend enormous sums of money to get elected and spending more money means a better chance of winning;

therefore

having spent lots of money, winning candidates try to recoup the cost of electioneering;

therefore

they engage in corrupt activities when they come to Bangkok, and widespread corruption is thus explained.

Box 2 The Elements of Patronage

A patron-client relationship describes social relations with the following intrinsic characteristics:

(a) It is an exchange relationship, the two parties bring something to a transaction.
(b) It is a relationship between two individuals. Although a patron may have many clients, that fact is irrelevant to his relationship with a particular client.
(c) It is a relationship between two persons who are unequal in power.
(d) It is a long-term relationship that lasts over many transactions.
(e) It is also a relationship that is multi-faceted and seldom specialized.

These inherent characteristics unite the observed instances of patron-client relationships in a vast array of cultures, from the Catholic peasantry of Latin America to the Muslim Swat Pathans of Afghanistan. The term came to us from the Romans -- it was in fact incorporated into Roman law, just as it was in the Three Seal Laws of the old Siamese Kingdom. Since the spread of the modern concepts of law, clientelism has led a somewhat more fugitive, extra-legal life.

Why do we observe patron-client relationships in so many societies? The answer cannot be based on culture, because, as we have seen the relationships exist in such a vast array of societies, although all sorts of cultural overtones (and moral codes) can be used to soften the basic relationship. We suspect that the answer lies in the nature of some of the objects that are being exchanged, because that is probably the key characteristic of patron-client relationships. We put forward as a hypothesis that the client comes to the transaction with a "good" (the term is used in the economist's sense of the word) which is ill-defined, but whose quality is very much under his control. Thus a borrower in a loan transaction can only give the lender a promise to pay in the future at the time of the loan, an employee can only give his boss a promise to work hard and with attention, and so on.

The poor definition and lack of standardization of what the client has to offer means that the patron has to *trust* the client -- and therein lies his power, for the patron can threaten to withdraw that trust anytime, with costly consequences for the client. It follows from this that the client has to show *loyalty* to his patron as a way of summoning that trust. That loyalty can extend to an interest in seeing that his patron also can enhance his power vis-a-vis other patrons, because a client whose patron is doing well can enhance his social situation better than otherwise.

Box continued.....

Continued.....

This identification of the client with his patron's interests has political consequences. It facilitates what we have called in the text of this paper the politics of patronage. When a politician distributes largesse to his constituents, he does not have to do so individually, but he can direct to certain leading patrons in that constituency. Those patrons in their turn may then pass on part of those benefits to their clients. The client is also more likely to remain loyal to the patron in his voting behavior, because by voting for the latter's candidate, he will be assured of a means of access to the big and powerful in Bangkok.

Patron-client exchanges can exist side by side with market exchanges,, and in fact patron-client relations may form a part of markets. However, one class of market exchanges, i.e. arms-length exchanges, has the opposite characteristics to those enumerated above for patron-client exchanges. These exchanges emerge as markets become more sophisticated and as the size of the market expands. Typical examples of arms-length exchanges occur in financial markets. Contrast the kind of transactions that take place there with the rural credit transactions.

Generally, as the market economy develops, patron-client relationships tend to disappear or to atrophy, because the market economy works most efficiently with standardized objects of exchange. Such standardization allow arms length markets to emerge. Thus in financial markets, rules of disclosures and a whole host of other regulations allow every participant to assess the risks and expected returns of the various papers that are transacted.

In other cases, technical changes may lead to a standardization and a decline in patron-client relations, without developing an arms-length market. A factory worker's work is usually standardized by the pace of the machine or else can be cheaply monitored. The employer therefore has no need to *trust* his worker the way that a patron has to trust his client. Interestingly, in white-collar work, where trust is at a premium, some of the ethos of patron-client relationships do carry over, and employees are expected, for example, to show loyalty to their boss or to the company.

In all cases, however, such standardization can take place only within the context of a much expanded market economy. Economic growth thus plays a powerful role in breaking down patron-client linkages in society.

This myth is of long standing, and really does not stand up well to empirical scrutiny. In the past ten years there has been enormous political science research into elections and electioneering, mostly by Sombat Chantarawong and his colleagues, which provides little support to this set of mythologies (Chantarawong, 1987). Firstly, if expensive electioneering is the cause of the corruption, then how do we explain that probably the single most corrupt leader of postwar Thailand, Field Marshal Sarit Thanarat, a man who never had to compete in any election? Secondly, if poverty is the main reason for vote-buying, why is the much richer Central Plain as susceptible to it as the impoverished Northeast? Finally, anyone who walks in with a big stash of money and can outspend his competitors during an election will not be assured of winning it. A great deal of local support is essential for the money to be translated itself into votes. Indeed, a candidate's chance of winning is as much if not more dependent on his proven ability to bring resources to his constituency at times other than during the election season. In this scheme of things, money broadcast at election time is merely a portion of the resources that a candidate has to lavish on his voters -- one can almost say that it is an advance payment.

Once elected, an MP has a great deal of obligations to fulfill. In a peculiar sense, the MP is fully accountable to his constituents. The dispute involves in what sense the MP is accountable. Recall the opening argument of this section that, for the rural electorate, the point of having an MP is to get as much resources back from the capital as possible. Included in this wealth transfer is the money obtained illegally by MPs who have become ministers or MPs who sold their votes in the parliament.

How can provincial politicans provide their constituents with the resources that the latter require as the *quid pro quo* for their votes? It is here that the arguments that we have outlined in Section 2 about the nature of the Thai state come into play.[14] If MPs can get access to cabinet positions, or at the very least if MPs are on the government side, then they can use their power to divert sizable funds to their home constituents. Probably of greater importance, they can use the wide discretion that Thai laws give to ministers to engage in a wide spectrum of corrupt activities. Part of the funds thus obtained can then be used to finance the maintenance of their political machines in the countryside. Thus, money would be spent on temple donations and even small infrastructure projects.

14 See also Synthesis Papers Vol. III for a more lengthy analysis.

We would therefore like to propose the following alternative causal chain to replace the one that we reject:

Because of the laxness of Thai laws and government procedures, and because corruption is extremely lucrative and largely goes unpunished, it is easy for ministers to become corrupt;

therefore

there is fierce competition for members of parliament to become ministers and for parties to be part of the governing coalition;

therefore

there is fierce competition for individuals to compete to become MPs, and because rural electors expect candidates to be able to shower them with resources which they eventually obtain from Bangkok;

therefore

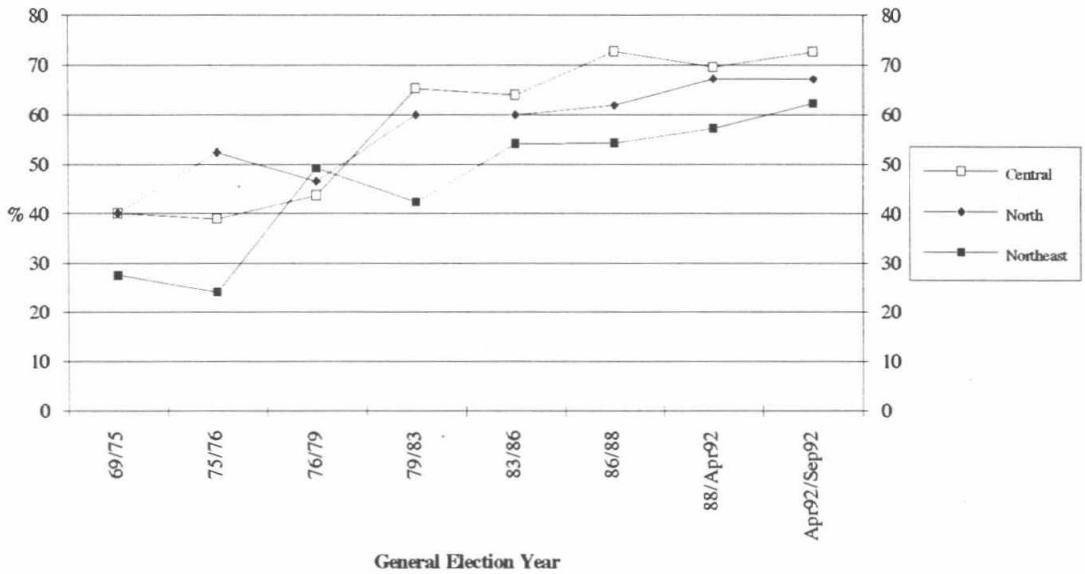
candidates buy votes from their constituents during election time as an advance payment but, more importantly, they have to bring resources to their constituencies between elections.

In this model of Thai politics, vote buying is the end *result,* not the *cause* of corruption.

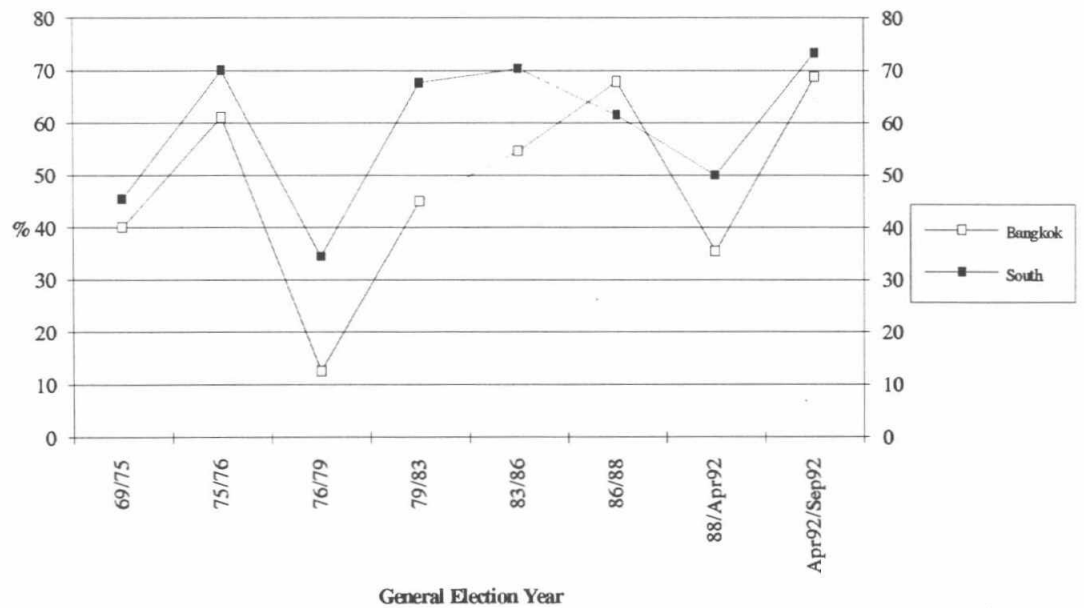
One of the most uncomfortable facts about Thai democracy surely is the indisputable fact that some of our most corrupt politicians are also some of the most popular (at least with their own constituents). Why rural electors continually pile up huge majorities for these men time after time is a puzzle that cannot be easily explained away by appealing to their naivete or their innocence. There is no empirical work that tries to resolve this question, but we would venture the strong hypothesis that voters for these politicians are fully aware of the corruption that their representatives indulge in, but nevertheless vote them in because they have a proven track record of success in bringing back resources from the capital. More and more, those who have had such successes in the past can entrench themselves as the representatives of their home provinces.

Chart 4 Percentage of Incumbents Seeking Re-election Who Were Returned to Office in a Subsequent Election, 1969-1992

Panel A: Central, North, and Northeast Regions



Panel B: Bangkok and the Southern Region



Sources: Department of Local Administration; Poll Watch Committee Data Base.

Charts 4A and 4B indicate the proportion of incumbent MPs who have submitted themselves for reelection and have succeeded. This measures the capability of the MPs to entrench themselves in power by means of patronage politics. We have separated the chart into two panels. Panel (A) shows the movements in the Northern, Central and Northeastern regions, while Panel (B) shows the figures for Bangkok and the South. The separation marks the different behavior in the two sets of regions.[15] Thai representatives in general do not get reelected that easily, compared to, say, their brethren in the U.S. Congress, for which the equivalent percentages are in the 90s, at least prior to the election of the new Congress in November 1992. However, over time, for the North, the Central, and the Northeastern regions, these percentages have been gradually inching up, so that now two thirds of the MPs will be reelected if they become candidates again. This demonstrates quite clearly that representatives in those regions have been building up patronage machines that will assure them of a more permanent tenure in power.

At the macro level, we regard as irrelevant for now the conventional Westminster model of a voter choosing between different political parties on the basis of their policies or even on the basis of their leaders' personalities, and of these parties then coming together to form a government that reflects voters' preferences. The job of each individual candidate for parliament is to make sure that (a) he wins, and (b) that his party is going to be part of the government coalition, so that he can deliver the resources back to his constituency, which is the first condition of political survival. To ensure that he is in the winning coalition is a tough speculative exercise for the Thai politician. It would be most convenient if there is no question as to who will be the prime minister when the country goes in for an election, as was the case during the many elections called by General Prem Tinasulanond. It is here that army generals fill an important need for Thai parliamentarians.

We have by and large concentrated on rural electoral behavior, but elections are not the only political option open to them. While everyone expects a member of parliament to bring home resources from the central government, noone expects him to be able to

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15 One of the most interesting questions for Thai political science is in what sense and why is electoral behavior in the South, evident in many aspects in voting behavior, different from the other regions of the country. We suspect that the answer is rooted in the different historical background of the South. For one thing it has been urbanized earlier than other provinces; its economic leadership in the past has looked to Singapore and Malaysia as the center of the region rather than Bangkok; and certain provinces in the South are home to Thailand's largest minority group, the MuslimsThese factors add a certain coloration to politics there that one does not find elsewhere in Thailand.

actually *control* the government. Given the way the Thai government has been carrying out its duties, it is inevitable that some of the things they do inadvertently lead to considerable harm to a particular segment of the rural population. Examples are the construction of dams with inadequate compensation to those losing the land and the expulsion of farmers from forest reserves. These are sins of commission. Sins of omission include the failure to shore up agricultural commodity prices. Such sins of commission and omission would occasion farmers' demonstrations. Again, as with the general population in Bangkok, political participation takes two forms corresponding to the intensity of the feeling towards the issues that people face -- apathy or indignation.

Demonstrations require some organization. Often the government of the day blames the opposition for fomenting these events in order to embarass the government. No doubt some demonstrations are organized with this political end in view, but there are also many demonstrations which grow up as a result of genuine grievances, the most bitter being cases where the government threatens to take away farmers' lands and therefore their livelihood.

These events show that the rural population does have a capability to organize, when the occasion arises, and to suspend for the duration its usual attitude of dependency toward the central government. However, such organization is episodic and short-lived. While demonstations temper the central government's ability to impose its will arbitrarily, it cannot generate a shift in the policy stance of the central government. For that to take place, the organization has to be much more long-lived, and it must have worked out from among its members a policy position from which it can negotiate or interact with the government. In short it is only when the rural population becomes an interest group in the proper sense of the word (say, in the way that modern Bangkok businessmen have organized themselves, in particular in the form of the peak business associations), will they have an impact on government *policies* rather than on government *actions*.

3.4 The View from the Barracks

Trying to make sense of the army's role in Thai politics is a difficult exercise. Our discussion above has been largely based on the behavior of a large number of people, with certain observed regularity of behavior, for example, at election times. Even when we discuss the behavior of a small number of people, for example, that of the business elite, we find that changes in their behavior are largely conditioned by the broader economic

changes taking place in Thailand and in the world. Hazardous though prediction of future economic trends may be, broad tendencies can be sketched out with a fair degree of accuracy.

The army's political behavior is far more difficult to encapsulate in any simple model or framework, and depends much more on accidental changes, on whether conflicts ensue within the officer corps, and if so, the outcome depends on which side will gain victory. These are very difficult to predict. Also, outsiders know relatively little about the armed forces. They therefore have a ready tendency to stereotype the officers and thereby homogenize them into a faceless, monolithic body, when in fact there may well be as much variety in their behavior and attitudes as among the civilian population.

One feature has emerged with some clarity in the past three decades, namely, the officer corps has become loosely organized into factions according to which class they belong to in the cadet school. A feature that has made for political instability is the fact that each rung of the promotion ladder tends to bring the leading members of a class in or out of positions of command simultaneously almost in lockstep. If that class was politically ambitious (and we do not have any data to be able to predict why certain classes are politically ambitious and why others are not), then the country plunges into a period of instability, such as during the late 1970s and early 1980s when Class VII came into positions of divisional commands. Later, Prime Minister Chatichai had to spend a great deal of his time as premier coping, futilely as it turned out, with the situation created by the rise to positions of high command of Class V. However, an astute political ringmaster can also exploit the opportunities created by this peculiar sort of factionalism in the army for his benefit. Thus far, elected politicians (including Prime Minister Chatichai) have, however, played a defensive game. But it is not too far-fetched to imagine a particularly ambitious elected politician moving into the offensive and beginning to manipulate the promotion lists in order to extend his tenure in power by employing this extra-parliamentary base. After all, a number of politicians have not shied away from manipulating the police promotion lists.

Thus, whether parliamentary democracy sinks deep roots or not, we expect the army and, more specifically, its system of appointments and promotions, to be the source of considerable anxiety among both civilian and military politicians. Without a reform of this system, preferably alongside a reform of the relationship between the civil service and elected politicians, we do not expect this source of instability simply to go away.

But reform is unlikely, and the possibility that the Army will reenter the political arena sometime in the future cannot be ruled out. A long-term trend in Thai politics has been that the total dominance of the army over the state apparatus, and still less over society as a whole, is more and more difficult to attain. One minor illustration of the decline in the *relative* role of the military is the name which the various juntas have chosen to call themselves since the Second World War. The 1947 coup against the civilian government of Thawan Thamrong Nawaswasdi called itself the "Coup Group". The name may sound somewhat mild in English, but the Thai translation of the French *coup d'etat,* which is *rathapraharn* (the killing of the state) is positively blood-curdling. After that we had the "Revolutionary Group" (1958 and 1971), and then a milder "Reform Group" (1976). By 1991, when we come to the latest in the series, the title was a mealy-mouthed "National Peacekeeping Council". In each episode, one can clearly discern the Army's acute awareness of its loss of control over the country, as well as its declining status vis-a-vis an increasingly complex and autonomous civil society.

The objective of a military coup was of course to grab power, but it was no longer possible for the military to hold on to power indefinitely, as Field Marshal Sarit could do. That was a lesson learnt from the students' uprising of 1973, when the demonstations which eventually led to the overthrow of the military government began with a demand for a constitution and an election. The solution came with the Kriangsak constitution of 1978, when the military which grabbed power would (a) promise an election; (b) cut deals with civilian politicians; (c) have an election in which it is clear that there will be a military man as a prime minister, so that the patronage system can go into full swing (in a fashion from which leading military officers would profit), and finally (d) set up a Senate to ensure the military dominance in the government, at least in the first few years.

This formula dovetailed nicely with the logic of provincial politics that we have described above -- that was why it was adopted in the first place. However, Bangkok's (and to some extent, the provincial towns') veto of the formula in May 1992 would cause the military politicians to rethink the strategy. We shall explore below some of the possible solutions that could be fashioned by the Army out of the new social context in which it finds itself.

3.5 The view from abroad

It is now a commonplace observation that the Thai economy is inextricably linked to the global economy. It is widely realized that the economic growth of the country depends heavily on a healthy climate for foreign investment and for exports.

The level of foreign investment depends a great deal on Thailand's political as well as its economic climate. Thai political actors are acutely conscious of this dependence, and have modified their behavior to placate foreign investors. The most dramatic examples of these were the appointment of Anand Panyarachun as prime minister in the aftermath of the 1991 coup, and again following the May uprising. Less dramatic examples are to be seen in the appointments of the finance ministers. This position is particularly sensitive from the point of view of the foreign economic community. Despite the opportunities for patronage that this ministry provides (most notably in liquor concessions), the position has more often than not been given to non-elected persons whose presence is sufficient to reassure foreign businessmen.

The need to placate the foreign economic community therefore has put a constraint on the politicians' ability to redirect policies away from the open-economy sort that Thailand has been following since 1958. With industrial exports now the main propeller of economic growth, it is difficult for politicians to decide to move in a different direction altogether. The only reason for Thailand to undertake a fundamental policy shift (regardless of the form of government) would occur only if the international economic climate itself turns sharply inward, as a consequence of a severe economic downturn or a trade war or a combination of both.

Within this broad framework, however, Thai politicians have been able to manipulate among the (sometime) conflicting interests of domestic and foreign investors, and tilt the balance generally in favor of domestic interests (Doner 1991). The recent spate of privatization programs has also enabled them to expand the scope of patronage politics to cover the highly lucrative mega-projects.

The political turmoil relating to the mega-projects illustrates very well the failure of the Thai state to handle new challenges that come about as a result of an open economy. Thai politicians are used to handling conflicts among purely domestic interests, which are done with a mixture of charm and inefficiency, but seldom with integrity or clear statement

of the rules of the game. This has been successful thus far because everyone involved understands that in the long term, the parties will have to live together, and therefore compromises come about naturally, with the government finally wielding the big stick. Economic games and power games become closely intertwined. Not so with foreign investors. The sanctity of contractual relationships between a government and a (foreign) private firm[16], and the implied equality in the status of the two parties involved, are concepts which foreigners (particularly Westerners, but increasingly the Japanese as well, for example in the long running BECL saga) take for granted, but which the Thai political system has not found it easy to incorporate into its normal working habits.

Similarly, on the trade side, Thailand has thus far relied on exports of agricultural products and labor-intensive manufactures in which it has a natural comparative advantage arising out of the availability of cheap land and labor. At these stages of export growth, a sophisticated policy framework that links export performance, tax policies, technological capability, educational priorities and industrial organization is unnecessary. However, if Thailand is to move up the industrial ladder toward more capital- and technology-intensive exports, the old style of politics and arms-length bureaucratic decision-making will no longer do. The civil servants' lack of technogical and business expertise that has become evident will become an increasingly binding constraint on the country's export growth, and hence on its overall economic performance.

4. STATE AND SOCIETY OF THE FUTURE: Scenarios and Possible Consequences

Before moving ahead to the future, let us recapitulate the political history. History plays a major role in our understanding of the Thai State. The modern Thai State was a creation of King Chulalongkorn in response to colonial pressures. It had a clear philosophy and it answered the needs of the time. It was a *coherent* state. Everyone who worked for it owed his loyalty to the King, and the State responded to the needs of the monarchy. The nature of the State as an extension of the personality of the monarch is well described in M.R.Kukrit's masterpiece *Si Phaendin.* There, he showed how the very character of a civil servant changed with a change in the reign, from the steady helmsmanship of King Chulalongkorn to the ebullience of the Sixth Reign.

16 The Thai state normally scrupulously respects contracts and agreements with foreign states.

The State as designed by King Chulalongkorn was designed to *administer* the country (much like colonial regimes elsewhere in Asia), not to service the needs as defined by the population. Even now, the most commonly used Thai word to describe the State's relations with its subjects is *pok krong*, which connotes "ruling over". To be sure, the monarchical State also attended to the needs of the population, sometimes very effectively, but it was the needs as perceived by the King and his administration, not as demanded by the people.

The 1932 *coup d'etat* removed the king from control of the State without substantially reforming it. In doing so, the bureaucracy decapitated itself. Without any system of accountability to replace the loyalty that used to be given to the monarch, the bureaucracy became an arena for contending factions to thresh out their differences. A succession of field marshals and generals, with an occasional sprinkling of rule by civilians, took turns running the State between 1932 and 1973. Of these, only two had clear (in many ways opposite) visions of what they wanted Thailand to become, namely Phibun and Sarit. To this must be added the third vision offered by Pridi Phanomyong, the leader of the civilian wing of the 1932 coup. In the end it was Sarit's vision which determined the outcome, for good or for ill, depending on one's own point of view.

It was because Sarit was able to imprint his vision that the economy began to grow vigorously, and that it woud continue to grow for three and half decades. This economic growth gave birth to new social groups that began to demand more of the State than it was ever designed for. In response, the keepers of the State (elected or otherwise) have responded in three different ways: complete capitulation to the pressures bearing down on it (for example vis-a-vis the modern business groups); turning these pressures to their advantage by means of corruption; and occasionally spirited resistance (such as during the Tanin government and in the events which led up to the May 1992 crisis).

Compounding the problem is that the demanders outside the organs of the State have conflicting views regarding what the State should be doing. Electoral behavior suggests that the countryside demands something very different from Bangkok. Rural voters sensed (perhaps realistically) that such a State cannot be controlled and held accountable, certainly not through the parliamentary mechanism. They therefore agree to their politicians' intentions of using the parliamentary process to extract resources from the State, and no more. When they go to the polls, they do not do so in hopes of using a "good" government (in an abstract sense) that is to emerge from the process, which is

ostensibly the whole point of a democratic form of government. They do so to choose someone who *in their eyes* is a "good" MP, that is, someone who can bring back resources from Bangkok.

Side by side with this attitude towards the State and parliament, rural people also have another political option. They also realize full well that that the State is not always (indeed seldom) benevolent. Occasionally its incursions into the countryside may have consequences which threaten the survival of some of them. In such circumstances, they have been able to organize demonstrations and sometimes use their MPs to thwart the State. But this capacity for organization is displayed only sporadically, in response to specific acts by the government. With the exception of the Communist Party of Thailand, there has been no sustained political or economic organization that has emerged from the countryside. And because of that precedent, the State has been vigilant in ensuring that such an organization does not rear its head.

Much has been made, particularly since May 1992, of the rise of the middle classes, and the importance that this bodes for the future of Thai politics. Like their country cousins, Bangkokians express their political voices differently at election time than at other, more critical moments. Electorally they are apathetic, probably aware that their preferences for a "good" government will never be realized in the face of a very different conception of a "good" government among the rural population, who have greater numerical strength on their side. Nonetheless, thrice in the last twenty years, in 1973, 1976 and 1992, the middle classes took to the streets and succeeded at overthrowing the government of the day. We expect these swings from apathy to indignation to continue well into the future as well.

The group we know least about is urban labor, primarily because they have not chosen (or have not been allowed) to become a collective actor in the Thai body politic. We do not expect, however, that the emergence of a larger, perhaps more organized, industrial labor force, and the parallel decline in the size of the rural workforce, would do away with the very different standards of government performance that we argue above are evident between town and country. Organized labor may well have yardsticks that differ again from those of the middle classes or Bangkok business elites. Like rural voters of today, their opinions will matter in the future, and they will become an important player in the parliamentary system during the decades ahead.

4.1 Working Assumptions for the Scenarios

Our scenarios concern the possible political consequences of future economic and social conditions. We offer these scenarios not for the purpose of drawing policy prescriptions from them, but to suggest the issues and challenges that are likely to arise under different sets of conditions. We begin with a number of working assumptions, or factors that we take as givens. These conditions either already exist, or else we expect they will come to be in the very near future. Next we identify the variables which we believe would trigger responses in the political arena. Our scenarios are then derived from these varying conditions.

We assume that industrialization will continue to transform Thai society well into the future, to the extent that Thailand would eventually become, perhaps by the year 2010, a predominantly industrial and service economy with a minority of the work force employed in agriculture. We expect that industrialization would spread to a number of provincial centers, even beyond the satellite enclaves that have sprouted up in the Eastern Seaboard area, Nakorn Ratchasima, and Saraburi. Urbanization would dovetail with that trend, with the most extensive growth taking place in many of the major provincial cities. Urbanization and industrial growth would concentrate the majority of the work force in cities, so that the economic, social, and family linkages to the countryside which persist today for most laborers would be virtually severed. The rise of a working class consciousness and trade unionism would follow, thus making organized labor into a formal interest group which would be incorporated into the body politic. More extensive urbanization would also engender the development of a larger middle class in the provincial towns, and we expect the members of that class to exhibit values and attitudes very similar to their counterparts in Bangkok of today -- politically apathetic, unless aroused by a sense of gross indignation with regard to some specific issue, and a potential constituency for a government with a national (versus particularistic) policy agenda.

Finally, we assume that the parliamentary form of government will remain intact, even if the trend toward more institutionalized parliamentary democracy is punctuated by an occasional coup d'tat. Although the form of government will not change, different kinds of leaders and players will enter and depart from national politics. They all would use the parliamentary system as their basis for rising to power and exercising power.

4.2 Independent Variables

The independent variables whose permutations form the basis for our scenarios are divided into five categories. In each we suggest there are two opposite outcomes, with the exception of the military where there are potentially three different outcomes. Only one category -- world economic conditions -- involves international factors. We also focus on the behavior of three categories of actors in the body politic -- the urban middle class, the industrial working class (which we assume will be unionized), and the military. *The propertied class (industrialists) always plays an active political role*, and we do not anticipate as much variation in their behavior as we do for members of the other three categories. Finally, as an institutional variable we include civil service reform.

- **Conditions in the World Economy:** We strongly believe that Thailand's economic ties to the outside world, particularly now in the post-Cold War era, surpass any other factors (e.g. security) in their importance and degree of influence on Thailand's domestic affairs. The international economy in our scenarios could either remain open to trade and be marked by healthy growth, or trade could be restricted and growth could weaken as a result. Open trade and strong growth would continue to be a stimulus to the growth of the Thai economy. That growth stimulus would continue to drive industrialization, urbanization, and a more pronounced structural shift away from agriculture. On the other hand, a weak world economy and restricted trade, or an international economic crisis, triggered perhaps by a depression in an advanced industrialized economy, could be devastating for Thailand's open economy. This could have severe social and political implications, which we suggest in one of our scenarios below.

- **Disposition of the Urban Middle Classes:** Both in Bangkok and the provincial towns, the impact of the middle classes on political outcomes will depend on the extent to which they are politically apathetic or, alternatively, whether they are mobilized. If the middle class is not apathetic, we suggest that a charismatic or electrifying political leader, or an effective political organization or party, could readily mobilize the middle classes as a powerful force. We have seen this to some extent in the events of May 1992. Judging from their reaction to perceived injustices, we believe the middle classes have considerable potential to become

politically active beyond simply turning up to vote in an election. But we anticipate that their activism would require strong and sincere leadership.

- **Political Incorporation of Organized Labor:** The relevance of unionized labor lies in the way in which they are incorporated into the body politic. We assume they will be incorporated in any case as a result of their organization into stronger unions. Their incorporation could occur in one of two ways. On the one hand their incorporation could be gradual, continuing along the lines of the behavior we are observing today. Union activities would in this case be restricted to the factory and an emerging union organization. Alternatively, in the event of an economic crisis which would suddenly cause labor some severe hardship, political incorporation could be violent. Union activities could spill into the streets where rallies and demonstrations could attract other displaced workers, migrants, and urban poor as well.

- **Political Role of the Military:** Finally, the military's political role would depend on whether the institution is united behind a coherent leadership, or disunited. In the case of a united military, the institution's political role would depend further on whether the leadership assumes a political or an apolitical stance. Both a united military with an apolitical outlook and a disunited military would have little influence over future political developments. A united military with a political outlook would have the potential to assume, perhaps forcefully, a direct role in running the government.

- **Civil Service Restructuring:** We include civil service restructuring as the fifth variable because the morale, quality, and administrative agility of the bureaucracy would have a substantial impact on how governments in power perform. Politically, a demoralized civil service which remains at a low salary base would be very receptive, in our view, to the leadership of a military which promises to restore the bureaucracy's autonomy and status and repress the activities of societal interest groups. With regard to policy matters, a higher quality civil service, achieved as a result of restructuring, would be more able to manage the complexities of an industrial society. It would prefer to use *policy* mechanisms as tools of governance and would be less susceptible to the use of *power* mechanisms. A restructured civil service would ultimately support continued economic growth, it would facilitate the effective management of many of the negative consequences of

that growth, and it would help to mitigate the severe problems of government failure. Restructuring may involve a massive increase in salaries, particularly at the middle and senior levels; a revamping of the promotions system so that it would reward *professional* achievements on the basis of standards in a given policy field; the creation of institutional mechanisms for fostering greater accountability; and the introduction of stricter monitoring of official behavior and punishment for acts of malfeasance.

Table 3 Ingredients for the Scenarios

Assumptions	Variables
Urbanization	International economic environment * strong growth, open trade * growth weakens, restricted trade
Rise of urban middle classes	
Trade unionism	Disposition of urban middle classes * apathetic and not mobilized * active and highly mobilized
Parliamentary institutions remain the norm	
	Urban labor * gradual incorporation into the polity * violent burst into the polity
	Political role of the military * united and apolitical * united and political * disunited and either
	Civil service restructuring/reform * yes, forthcoming * no

Scenario I: Business as Usual

In this scenario there are no drastic changes in the political regime, and no major economic crises arising in either the international or domestic economies. The form and style of politcs that Thailand has had under recent elected governments are stengthened. Political machines continue to dominate the electoral and parliamentary arenas, particularly in the provinces. The middle classes in the provincial towns grow in size and wealth, but they become politically apathetic. The middle classes in Bangkok remain politically passive as well, as bystanders to the daily political drama. The urban working class increases in size and becomes gradually incorporated into the body politic in two ways. First, labor gains organizational strength and bargaining leverage vis-a-vis factory owners and managers. Second, labor lends support to the existing political machines, thereby helping to sustain them. Organized labor will continue to grow in strength, but it does not become violent as it is able to bargain for gradual wage increases.

The country continues to be ruled by elected coalition governments that sluggishly muddle through matters of national consequence without leaving any legacy of great achievements. Some of the essential infrastructure gets put in place, and government services improve only nominally, though there is no major restructuring of the civil service. Vast improvements in education and the skill level of the workforce are not realized, but any dampening effects those might have on economic growth are limited so long as the world economy continues to provide optimal growth conditions and export markets remain open and diverse. Macroeconomic policies remain in the hands of conservative technocrats, and thus fiscal and monetary policies are stable and inflation is held under control. As now, macroeconomic stability helps to compensate for government failures in sectoral policy, so long as world economic conditions remain positive.

Since the governments elected to power are neither egregiously corrupt nor bogged down in absolute gridlock, urban middle classes remain apathetic while rural voters continue to be rewarded with resource distributions delivered by their political machines. Thus there are no intensely mobilized interest groups taking to the streets which would either destabilize the governments in power or create a pretext for the military to assume a direct political role.

We anticipate that this scenario could play out well into the first decade of the 21st century. It is possible that the gradual improvements in infrastructure and government

services eventually "catch up" to the economic growth even in the absence of a major reform or liberalization episode. If so, this scenario may at some point during the next decade give rise to scenario 3 below. Alternatively, if government services do not catch up with the growth, and governments in power continue to survive only on the basis of what they can deliver to the interest groups that lend support to the party bosses and political machines, apathy among the middle classes and frustration among the propertied classes could result in a massive withdrawal of support for Business as Usual, the likely outcome of which is suggested in scenario 4. In the event the optimal economic conditions that support Business as Usual turn sour, however, we believe the possibility exists for a sudden and costly plunge into scenario 2.

Scenario 2: Peronist Model

This scenario is crisis-induced. It would be caused by a drastic change in international economic conditions. An international economic crisis perhaps triggers a fall-off in exports and foreign investment. Workers' incomes drop dramatically as a result of widespread lay-offs. Organized labor rallies a spate of demonstrations. Workers are demoralized, angry, and take to the streets. Opposition parties use the occasion to destabilize the coalition in power. A major political crisis erupts, leading to the collapse of an elected government and prompting ambitious military leaders to intervene in a bid to restore the political role of the armed forces. Leading generals strike an alliance with the unions, and they are cheered on by the masses of dislocated workers who have taken to the streets. The middle classes are helpless and outnumbered. The industrialists are torn, and support for collective industrial interests through the associations fragments. Some industrialists and bankers feel they have no choice but to rekindle their friendships with the military, even though the generals have taken up labor's cause, but by and large the collective political power of the propertied classes declines.

Leading political party bosses of the machine variety also exploit the situation and agree to go along with the generals' pretext. In alliance with the generals and labor leaders, the political machines form a populist sort of national front under one leader or perhaps a coalition of populist leaders. With urbanites in the majority, the populist-style government either grabs power or is elected to office -- its specific mode of ascension is inconsequential. A labor aristocracy forms which gains the support of the poor in the countryside as well. The generals and machine bosses gain control over macroeconomic policies, dispensing with macroeconomic stability in a futile effort to distribute resources to

predominantly urban low-income groups. Large deficit spending to support the various contending interest groups makes it impossible to sustain the open economy regime, with the result that widespread controls and regulations have to be put in place. Inflation results, and macroeconomic stability is lost, thereby doing away with the key features of the political economy that fuel the engine of growth of the post-Sarit era.

The fortunes of civil servants decline in tandem with those of labor, making them very receptive to a military-led populist labor-machine aristocracy. Class distinctions sharpen as the economic situation deteriorates, causing social conflict, repeated spates of military intervention, and severe policy mismanagement. Industrial growth then grinds to a halt.

Scenario 3: Gladstonian Democracy

This scenario is an offspring of Business As Usual and is supported by optimal international economic conditions and sustained economic growth. The engine of this model is the emergence of politicized middle classes in the urban areas. Having grown rich and politically astute, the middle classes finally get fed up with the machine politics (i.e. Business as Usual). They form the basis for a sophisticated, urban-centered, coherent party organization led by a charismatic leader or a well-educated, outward-looking statesperson. The military remains apolitical, whether united or not. They come to realize that their corporate survival depends on competent political leadership, and they maintain a strict adherence to non-interference in politics. As in the Business as Usual scenario, the labor unions are incorporated gradually into the body politic.

Owing to the widespread frustration with the machines, the urban-centered party is able to recruit a large corps of professional politicians from among the enriched propertied and middle classes. A two-party system becomes the norm. With most of the labor force having moved into the cities, one party gains strong support from labor, while the other gains support from the propertied classes and the urban middle classes. The charismatic leader leads a crusade for reform and honest government, and gains allies among young, non-machine politicians. These politicians sweep to power in a general election following the collapse of an ineffective machine government that had accomplished nothing after a long term in office. The incorruptible leader carries out sweeping civil service reforms. Strong economic growth and budget surpluses permit the largest pay increase ever seen for civil servants. A scholarship program is perhaps launched to attract educated middle class

graduates into the civil service, and a new ethic of public service is nurtured and gains adherents. Infrastructure and other public services are vastly improved, particularly in the provincial towns, which in turn lends support to the two-party system.

Labor would demand a larger share of the national wealth. But different from either Business as Usual or the Peronist machine scenarios, labor's concerns would be negotiated and worked out by the political parties, and *policy* solutions would be arrived at. Such solutions would include not only increases in pay, but also education and training programs, and possibly benefits such as social security, affordable housing, and other forms of entitlement. These benefits would be made possible by fiscal surpluses, sustained economic growth, and creative policies worked out between a sophisticated civil service and the private sector. And they would satisfy the middle classes as well. Because the civil service would be restructured, it would be able to respond with appropriate policies, evaluation, and provision of the relevant government services.

Scenario 4: Park Chung Hee Model

In our final scenario, the collapse of the machine governments on the heels of their own inefficiencies leads to widespread disaffection of the electoral process among the propertied and middle classes. A machine government might collapse in a fashion similar to the departure of the Chatichai government in February 1991, only in this scenario the military comes back under a different kind of leadership than displayed by Class V. The military are united behind strong, educated, outward-looking, and savvy generals who are not necessarily self-interest seeking. The sophisticated military strike an alliance with the properties classes and the macroeconomic technocrats. The generals create generous space for technocratic management of the State. Together these three groups hammer out a program for civil service reform, policy reform/liberalization, social welfare, and continued economic growth based on an outward-orientation.

This government does come to power on the heels of a Suchinda-like putsch. It is not initially a harsh regime, which is why it is welcomed by the middle classes, but it fast becomes sensitive to criticism. The military leadership thus gradually whittles away at press freedoms and the activities of opposition parties. The generals eventually disband the labor unions and do not allow demonstrations in the countryside. The regime finds increasingly it must design the voting process to as to sustain itself in power. Its popularity ultimately rests on improving the quality of government services in the eyes of the urban

propertied and middle classes, and on its clean, professional, and savvy image. Civil service restructuring provides assitance in this regard, but a government which can deliver growth and services eventually does so at the cost of certain liberal freedoms.

Another challenge facing the leadership in this scenario is to ward off the ever-present temptation to rekindle the patronage potential of the State, whether for the military and bureaucrats themselves, or for their various clientele in the private sector. The regime's performance requires a tight alliance between the military and the technocrats, and also support from the propertied classes. But the temptation to resort to the practices associated with the autonomous State could become overwhelming, leading eventually to the rise of ambitious officers who create disunity in the ranks of the military. A disunited military in this scenario virtually promises a return to the patronage practices of the autonomous State. These practices would, in turn, provoke resistance from outraged interest groups -- notably urban labor and the middle classes. Political instability could result, followed perhaps by an extended leadership crisis. With the technocrats still in command of economic policy, macroeconomic stability is maintained. But in a climate of leadership instability the agenda of sectoral policy reform would plunge into disarray, and the civil service, albeit a restructured one, could become quickly demoralized. Again, the temptation then to resort to patronage would be compelling. The Park Chung Hee model could thus breed instability, and could ultimately be corrupting.

4.3 Famous Last Words

To restate the point of this exercise, it has not been our intention to identify a policy agenda for the future. Rather we aim to suggest the possible circumstances and constraints under which future governments in power would formulate policy. We have also identified the possible demands that could be imposed on the policy-making process and the likelihood that the State would respond in one way versus another.

We stress in closing that the form and quality of government matters. And it will matter more in the future. The quality of government and its actions will influence the development of the economy and the quality of life in society increasingly as the country industrializes over the coming decades. Thus far, Thailand has gotten away with having a capricious government because the basic economic fundamentals have been assured, but the country has paid for low quality government services in the form of severe income imbalances, pollution, inadequate infrastructure, a sub-standard secondary education

system, and, in general, incoherent sectoral policy responses to the opportunities and constraints that arise as industrial growth and massive urbanization run rampant. These government failures and externalities -- evidence of what the Thai State has done and left undone -- have affected the quality of life for most all Thai citizens.

We have stressed as well that while the old habits associated with the autonomous State will no longer do, simply having the new interest groups run havoc on the State (and its proven patronage potential) is neither a necessary nor a sufficient condition for a better quality government. Voters and interest groups measure government outputs with vastly different standards, and what they alone demand may not be all of the kinds of functions and services the State will need to provide in order to govern the country effectively into the next century. In this regard the State cannot simply act in response to interest group demands, and improvement in the quality of its outputs will need to arise as a result of reforms within the civil service. Government leaders of future generations will need to do much more than look after the immediate demands of every interest group that has a concern or a complaint. For this reason we have stressed the weaknesses in the civil service in section 2 and the importance of civil service restructuring to the outcomes in our scenarios. In the absence of any restructuring, we expect the gridlock in government to become more pronounced in the future.

Whether a different kind of government in the past would have contributed to different outcomes today of course remains unanswered. We can only claim to have identified those conditions that in our judgment have shaped what the Thai political economy consists of today and also how it works. Making some perhaps generous assumptions about what may prevail in the future, we have also projected where things may lead under alternative sets of conditions. In this respect we make no predictions about the future, but we hope to have provoked some thinking about how the future may provide opportunities to make improvements upon the conditions that prevail at present.

Appendix 1 Number of Laws Passed by Different Governments, 1958-1992

Number of laws enacted by Thai legislatures
(excluding land expropriation laws)
1957-1992

Junta Leader or Prime Minister	Type of Legislature	No. of days in office	No. of laws		No. of Articles		No. of Laws per month	No. of articles per new law
			Amendments	No. of new laws	Amendments	New Laws		
F.M. Sarit Thanarat	Junta	4	0	2	0	4	15.2	2.0
Pote Sarasin	Appointed	96	12	24	69	237	11.4	9.9
Gen. Thanom Kittikajorn	Elected	292	11	8	36	21	2.0	2.6
F.M. Sarit Thanarat	Junta	111	17	18	48	59	9.6	3.3
F.M. Sarit Thanarat	Appointed	1,763	165	316	1,112	5,408	8.3	17.1
Gen. Thanom Kittikajorn	Appointed	1,914	128	71	986	2,819	3.2	39.7
F.M. Thanom Kittikajorn	Elected	984	30	11	121	304	1.3	27.6
F.M. Thanom Kittikajorn	Junta	395	98	202	618	1,751	23.1	8.7
F.M. Thanom Kitikajorn	Appointed	301	13	6	125	70	1.9	11.7
Sanya Thammasak	Appointed	475	74	59	441	1,849	8.5	31.3
M.R. Seni Pramoj	Elected	26	1	0	3	0	1.2	0.0
M.R. Kukrit Pramoj	Elected	398	4	3	26	33	0.5	11.0
M.R. Seni Pramoj	Elected	169	3	4	10	66	1.3	16.5
Admiral Sangad Chaloryu	Junta	2	0	0	0	0	0.0	0.0
Tanin Kraivixien	Appointed	377	34	20	191	269	4.4	13.5
Admiral Sangad Chaloryu	Junta	22	9	12	72	53	29.0	4.4
Gen. Kriangsak Chamanan	Appointed	546	83	71	681	3,210	8.6	45.2
Gen. Kriangsak Chamanan	Elected	295	13	11	82	203	2.5	18.5
Gen. Prem Tinasulanond	Elected	2,979	161	99	1,206	3,008	2.7	30.4
Gen. Chatichai Chunhawan	Elected	933	38	33	364	779	2.3	23.6
Gen. Suntorn Kongsompong	Junta	11	14	16	66	43	83.0	2.7
Anand Panyarachun	Appointed	384	91	59	982	3,092	11.9	52.4
Gen. Suchinda Kraprayoon	Elected	44	0	1	0	4	0.7	4.0
Anand Panyarachun	Elected	95	0	0	0	0	0.0	0.0

Source: Numerical database compiled from Royal Gazettes, different issues

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