

AUTONOMOUS PUBLIC  
ORGANIZATIONS,  
GOVERNANCE AND  
DEMOCRACY DEVELOPMENT  
IN THAILAND : EXPLORATORY  
CASE STUDIES OF THAI  
QUANGOS

Prakorn Siriprakob Chulalongkorn University

# Problems



- Asian Economic Crisis of 1997
- Mandate from International organizations, such as World Bank, International Monetary Funds (IMF), Asian Development Bank (ADB) for Thailand to reform its public sectors
- Lack of good governance
- Problems with red-tape of the traditional bureaucratic organization

# Problem with Thai Bureaucracy



- ❑ Outdated Rules and Regulations and Red Tape
- ❑ Hierarchical Problems
- ❑ Emphasis on Process Not Result
- ❑ Quality of Public Officials and Lifetime Employment Leads to Moral Hazard
- ❑ Thai Traditional Cultures and Values – Patron-client Relationship
- ❑ High Cost on Healthcare Coverage
- ❑ Politics – Tensions between Politicians and Bureaucrat in all levels

# Literature Review



- Max Weber's Ideal Bureaucracy
- Quasi Nongovernmental Organization (QUANGO)
- Agencification
- Governance Theory: Peters' 4 Models of Governance
- New Public Management (NPM)
- New Institutional Economics (NIE)
- Thai Cultures and Traditional Values (Riggs, Heady, and Siffin)

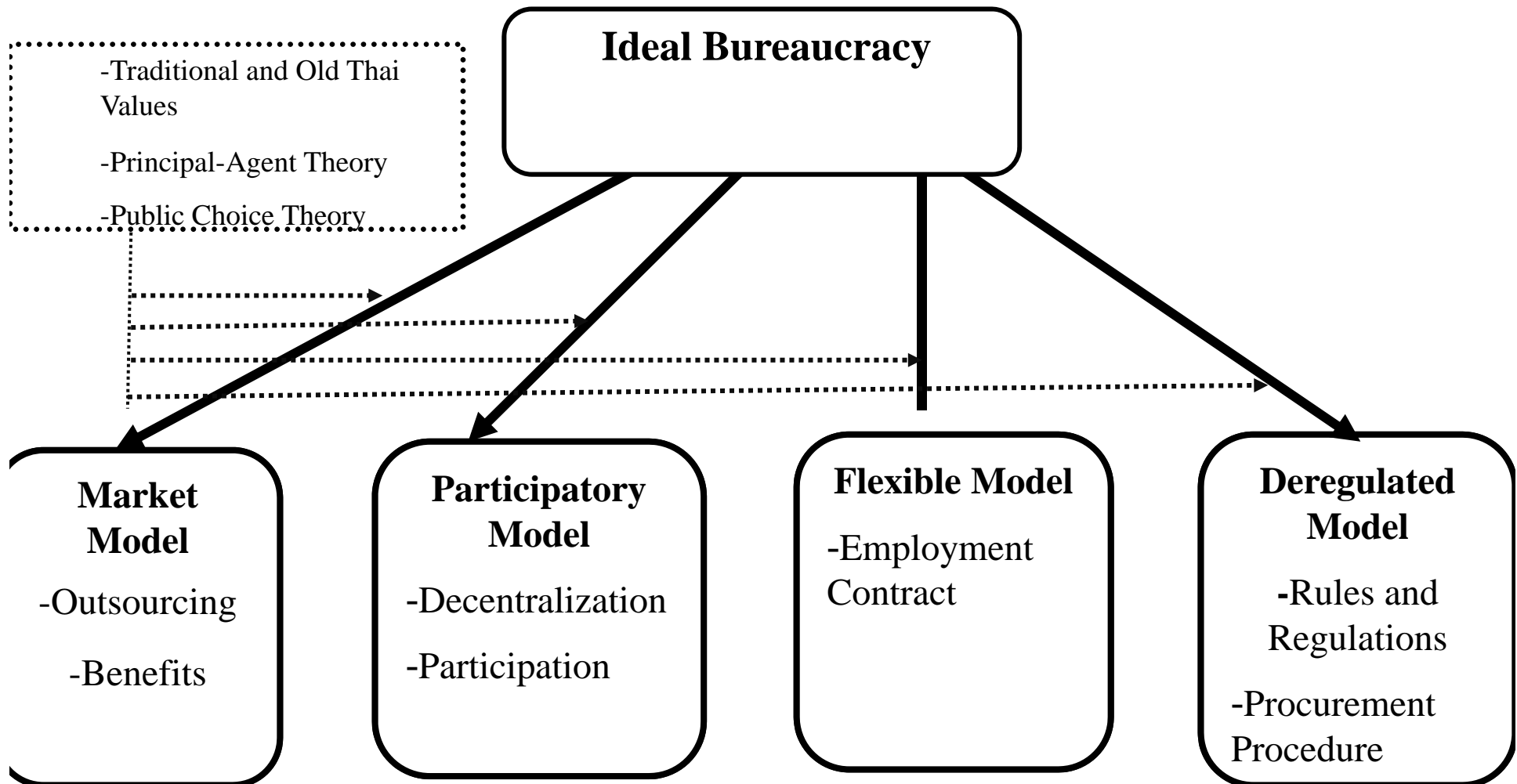
# Purpose of APOs

- Needs only approval from the cabinet and enact Royal Decree
- APO Executive board members can be no more than 11 persons and appointed by the Cabinet – Must Combine both government (no more than half) and non-government officials
- “The proclaimed virtues of agency type APOs are: size reduction of the large central bureaucracy, efficiency improvements, small, flexible, and more independent units with CEOs under contract as managers, better citizen’s control of APOs through new accountability mechanisms and a fairer, less corrupted government.” (Bowornwathana, 2012 p. 382)

## Past Findings (Siriprakob, 2010a and 2010b)

- ❑ Better and More Flexible Procurement Procedure
- ❑ A lot of functions performed by APO replicates with the already existed public agencies
- ❑ Too much spending on meeting fee
- ❑ Excellence Benefits on Some APOs
- ❑ Transparency Issues Regarding Agency Funds
- ❑ 30 Percent Budget on Personnel
- ❑ Establishment of APO is unclear
- ❑ Never had Termination of APO
- ❑ Purposes of APO creation is unclear

# Conceptual Framework



# Research Questions



- How Does Market Mechanism and Incentive Transform Autonomous Public Organization?
- How Participative Have Officials and Citizens Have with Autonomous Public Organization?
- To What Extent Are Autonomous Public Organization Have on Flexibility Issues Dealing with Human Resource Management?
- How Much More Autonomy Does Autonomous Public Organization Have When Compared to General Public Organization?



# Research Methodology



- Qualitative Research using Case Study Research, Semi-structured Interview, Participant Observation and Documentary Research
- Acts, Royal Degree, APO rules and regulations, Annual Reports, and Related documents
- 32 Key Informants holding important positions, such as executive board member, director, associate director, HR officials, policy analyst, researcher etc.

# APOs Studied

APO	Size	Functions	Budget (2011)
Samyan	Large	Healthcare Provider	\$31.25 million
Suanluang	Large	Network Creation	\$62.5 million
Silom	Small	Knowledge Provider	\$1.5 million
Sukhumvit	Medium	Knowledge Provider	\$23.5 million
Siphaya	Small	Fund Management	\$1.25 million
Sathorn	Medium	Evaluation Institution	\$14 million

# Market Model

- Privatization – Unrelated to Core Business
- Siphaya – Computer Leasing
- Samyan – Privatization Problem, Branch Expansion, and Community Clinics
- Every agency – Security guard
- Medical Benefits – No exact patterns
  - ▣ Samyan – Benefit from being healthcare provider
  - ▣ Suanluang – Reimburse from APO (risky)
  - ▣ Silom – too small to have to bargain
  - ▣ Siphaya and Sathorn – benefit is tight
  - ▣ Sukhumvit (prior to 3/1/10) - Excellent

# Market Model (cont.)



- Evaluation agencies haven't interviewed APO director or Executive Board Members during evaluation
- APO are still extremely difficult to be terminated once it is established - politics

	<b>Bureau cracy</b>	<b>Sam yan</b>	<b>Suanl uang</b>	<b>Silom</b>	<b>Sukhu mvit</b>	<b>Sipha ya</b>	<b>Sathor n</b>
<b>Medical Coverage</b>	100% - public hospital	100% - Samyan	100% - Public - Reimburse ment	Group Insurance (\$625)	100% - public 50% - private	Group Insurance (\$625) – add \$625	Group Insurance (\$250)
<b>Spousal Coverage</b>	100% - public hospital	Gold Card – special privilege	100% - Reimburse ment	\$310 – Reimburse ment	100% - public 50% - private	None	None
<b>Children’s Medical</b>	100% - public hospital	Gold Card – special privilege	100% - Reimburse ment	\$310 – Reimburse ment	100% - public 50% - private	None	None
<b>Parent’s Medical</b>	100% - public hospital	Gold Card – special privilege	None	\$310 - Reimburse ment	100% - public 50% - private	None	None
<b>Dental Coverage</b>	100% - public hospital	100% - Samyan	100% - Reimburse ment	\$155 - Reimburse ment	100% - public 50% - private	\$155	\$125

# Samyan Medical Expenses

Year	Number of Employee	Expenses	Average Per Head
2007	654	\$42,500	\$67
2008	657	\$83,000	\$126
2009	800	\$113,900	\$142
2011	793	\$142,000	\$179
2012	900	\$316,800	\$352

Note: Year 2012 is an estimate number

# Silom Medical Expense

Year	Number of Employee	Insurance Cost	Reimburse from APO	Average Per Head
2007	12	\$3,687	\$107	\$316
2008	23	\$7,067	\$237	\$317
2009	24	\$7,811	\$406	\$342
2010	24	\$8,996	\$322	\$388
2011	28	\$11,875	\$251	\$433

# Monthly Meeting Fee

	<b>Samyan</b>	<b>Suanuang</b>	<b>Silom</b>	<b>Sukhumvit</b>	<b>Sipha ya</b>	<b>Sathon</b> <b>n</b>
<b>Board President</b>	\$235	\$290	\$310	\$390	\$390	N/A
<b>Board Member</b>	\$185	\$235	\$250	\$310	\$310	N/A



# Participation Model



- Higher participation in smaller APOs
- Participation level in Larger APOs remain as same as in the traditional bureaucracy
- APO in rural area (Samyan) is able to draw a better participation from its community

# Participation Level

	APO Size	Society Level	Organizational Level
Samyan	Large	More	More
Suanluang	Large	More	Medium
Silom	Small	Less	More
Sukhumvit	Medium	Medium	Less
Siphaya	Small	Less	More
Sathorn	Medium	Less	Medium

# Flexible Model



- Silom director - Efficient APO is to be able to “Hired and Fired”
- Sathorn – Many terminations are still pending at administrative court
- Patron-client relationship as well as Thai culture still comes to play when evaluation time came



# Deregulated Model



- ❑ Better procurement procedure – Samyan’s building and Silom’s supplies
- ❑ Adverse Selection and Moral Hazard are still in doubt
- ❑ Many APO Executive Board Members consist of many current and retired bureaucrats; as a result, many rules and regulations still copy bureaucratic rules and regulations
- ❑ Office of Auditor General still uses bureaucratic guideline to check APOs

# Procurement Procedure

	Bureaucracy	Samyan	Suanluang	Silom	Sukhumvit	Siphaya	Sathorn
Negotiation	No more than \$3,125	No more than \$9,375	No more than \$15,600	No more than \$6,250	No more than \$31,250	No more than \$9,375	No more than \$6,250
Price Examination (Price Offered Paper)	\$3,125 - \$62,500	More than 9,375	More than \$15,600	N/A	\$31,250 – \$156,250	\$9,375 - \$156,250	\$6,250 – \$62,500
Bidding (public announcement)	More than \$ 62,500	N/A	N/A	More than \$6,250	More than \$156,250	More than \$156,250	More than \$62,500

# Findings



- Even though APO is established to perform social service, successful APO seems to be the one with profit-oriented (easy to measure performance)
- When become too successful, seems to be punished
- APO is becoming more and more bureaucratized due to many APOs still follow bureaucratic rules and regulations – retired and current bureaucrats
- Rising cost of medical expenses

# Recommendations



- Some rules and regulations should be formalized, such as benefits rules and procurement procedures etc.
- APO should do a national scheme on medical insurance
- APO establishment indicators needed to be established before the creation of APO (hard to terminate)