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Rural development and decentralization in the Greater Mekong Sub-region: Case study of Thailand

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Introduction

Rural development has been one of the most important government policies indicated in the National Economic and Social Development Plan since 1972 in order to provide basic public services – health care, infrastructure, social security and education. However, development in respect of infrastructure and health care services seems to be the most controversial because infrastructure services have been rapidly and almost completely decentralized (compared with the education services and social security which are still under the management of national government) and local government needs time to learn, while health care services are still undergoing quality assessment before being decentralized. Therefore, this paper will look at the rural development focusing only on infrastructure and health care.

In Thailand, the development of both infrastructure and health care was initiated by the King. The history traces back to the period of King Rama V in the 19th century when trains were first built to facilitate transportation from one province to another. Later, King Rama IX also realized the importance of rural development, especially road construction, sanitary water management and irrigation during droughts. Furthermore, since 1997, the decentralization policy has been emphasized in the Constitution of that year and also in the Constitution of 2007 as a measure that can help to improve rural areas in order to respond to the needs of local people directly and quickly. This is because the policy provides independence to local government management in terms of legal control and also allows for public participation in development. Moreover, the Decentralization Plan Act B.E. 2542 (1999) also supports the initiative to decentralize some activities including infrastructure development and health care services. Although development of infrastructure and health care services continues positively, some challenges remain; for example, the conflict between the national government and the needs of local people because of the overlap of competences, the uncertainty of the decentralization policy and a lack of the personnel in rural areas.

This research paper examines how decentralization policy can contribute to the development of infrastructure and health care in rural areas. The current situation and a little historical background on rural development will be provided in order to place the situation in context. Furthermore, the paper will set forth the development challenges that are still faced in order to propose the possible policy options to improve the situation.

Current situation

The development of the infrastructure and health care services in rural areas in Thailand was first initiated by the King, especially during the period of Absolute Monarchy when every policy was raised by Royal institution. This paper will present the decentralization policy, which continues up until now, outlining the current situation, specifically the present status of the decentralization policy in Thailand and how policy can facilitate rural development. The current situation in terms of infrastructure and health care services in rural areas will also be examined.
Local government administration was, in fact, initiated in 1910 during the reign of King Rama V. Its aim was to help people to learn about democratic participation. From 1997 until the present, decentralization policy has been particularly promoted to facilitate local development which directly corresponds to the needs of local people.

Rural government or decentralization was clearly designated in the Constitutions of 1997 and 2007. These Constitutions ruled that local governments were entitled to act as independent administrations, their authority based on independence in formulating policies relating to their specific local areas, independence in personnel management, and independent monetary and fiscal policies. All relevant activities would, however, be conducted in compliance with the Constitution and the laws of the Parliament. Moreover, citizens are given a constitutional right to participate in local development including the drawing up of local development plans. The Constitution of 2007 puts even more emphasis on decentralization than its 1997 predecessor.

According to the National Government Organization Act B.E. 2534 (1991), local administration can be divided into four types; provincial administrative organization (PAO); municipality administrative organization (MAO); sub-district administrative organization (SAO); and special areas administration.

The structure of the local administration of Thailand

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3 The CONSTITUTION OF THE KINGDOM OF THAILAND B.E. 2540 (1997)
4 The CONSTITUTION OF THE KINGDOM OF THAILAND B.E. 2550 (2007)
5 King Prajadhipok’s Institute, “Local Administrative in Thailand”, retrieved 18 March 2016, from http://wiki.kpi.ac.th/index.php?title=%E0%B8%AB%E0%B8%99%E0%B9%89%E0%B8%B2%E0%B8%AB%E0%B8%A5%E0%B8%B1%E0%B8%81 (in Thai)
However, decentralization in Thailand is not that straightforward because the unequal capacity of each province prevents central government from decentralizing all authority needed to the local government at the same time; in other words, the transfer of the activities that used to belong to the national government has to be done little by little. According to the Determining Plans and Process of Decentralization to Local Government Organization Act B.E. 2542 (1999), the government has to allocate budget to local governments amounting to at least 25 percent of the net income of the Thai government. Additionally, the budget allocated to local government increases every year and, in 2015, the government allocated budget to local government amounting to 27.80 percent of the net income of the Thai government, increased from 2014 by 1.6 percent. Furthermore, the current government gave precedence to encouraging local government to manage the budget independently in order to respond to the needs of the people in each area for many types of service, including infrastructure, social services, education services, public health, and the environment.

Thanks to the budget allocation from central government and the independent policymaking that can respond directly to the needs of local people, the infrastructure and the health care services in rural areas have been able to improve from year to year.

- Infrastructure situation in Thailand

Infrastructure is one of the most significant factors for economic development as it is crucial in the smooth operation of trade and business. In addition, the living standards of citizens can be measured from an assessment of their access to infrastructure, including transportation, telecommunications, water and electricity.

Before the Constitution of 1997, almost all infrastructure was the responsibility of central government. As stated above, most of the infrastructure development in rural areas in Thailand was initiated by the King, and although every Constitution states that the Royal Institution is only the Head of State, in reality, His Majesty is much more than just that: he has also become a key factor in the development of the country. In other words, almost all projects initiated by the King are followed by the government and he has been a key motivator. In 1998, 2,159 royal development projects were initiated by His Majesty, and most of these aimed to improve remote areas. For example, the rural roads were developed to cover the entire country as the King wanted to visit remote areas to monitor the well-being of the Thai people.

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7 Bruere of Budget, Ministry of Finance of Thailand, “THAILAND’S BUDGET IN BRIEF FISCAL YEAR 2016”, retrieved 18 March 2016, from http://www.bb.go.th/bbhome/page.asp?option=content&dsc=%D2%B3%D1%A7%E0%A2%BB&foldsc=29001
At present, under the decentralization policy, local governments take the responsibility to develop their specific areas. This includes the building and maintenance of infrastructure, for instance, roads, drainage gutters, pipeline systems, bridges, traffic lights and signs.\(^9\) Cooperation between the local people and central government has had a positive impact on rapid infrastructure development.

In 2008, infrastructure was developed to an extent that has almost completed satisfied the Thai citizens. For example, 98.5 percent of the street system was paved, and 99 percent of households were connected to the electricity/power supply. Since then, the Thai government has continued to run an infrastructure provision and maintenance policy.\(^{10}\)

Under the supervision of the National Council for Peace and Order and the Thai Royal Government, rural development and decentralization remain a major focus of the government’s strategic plan, and this includes the rural water supply and the building and maintenance of rural roads in the south of Thailand.\(^{11}\)

Thailand has also developed rural broadband throughout the country, especially for use in medical clinics and school areas, which are seen as priorities.\(^{12}\) Broadband or internet can help doctors seeking advice in urgent medical cases, and there is a particular call for distance learning via the internet, especially in remote areas where there is a shortage of teachers.

- **Public health situation in Thailand**

The public health service has been speedily distributed throughout the whole country since 1961 – the start of the first five-year National Economic and Social Development Plan (1961-1966). Although there were provincial hospitals in every province in Thailand in 1956,\(^{13}\) fewer hospitals or clinics were opened in rural areas at that time.

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\(^9\) ibid
To look at further relevant rulings and policies, the Constitution of 1997 and the Determining Plans and Process of Decentralization to Local Government Organization Act B.E. 2542 (1999) stipulated that the state must be a "decentralized" organization and the central authorities should provide public service missions, or transfer powers, to local governments.\textsuperscript{14} It could be concluded that local governments were to be given the authority to organize comprehensive public services, as long as they were consistent and appropriate in respect of the problems and needs of local people.\textsuperscript{15} Moreover, the government has provided Universal Health Care Coverage to the public since 2001, and this has played an important role in giving citizens access to health services – in urban and rural areas - especially those who are poor as it reduces family expenses.\textsuperscript{16} Even though the government has operated a decentralized policy in terms of public health, the distribution of regional hospitals varies, particularly as a result of economic differences.

In 2007, the transfer of public health care stations to local administration began, and a total of 39 were transferred between the years of 2007 and 2012.\textsuperscript{17} After this transfer process, it was discovered that local administrations could facilitate health care stations faster than was the case under the previous centralized system.

The National Council for Peace and Order and the current Thai Royal Government have also prioritized the reduction of social inequality, the provision of equal opportunity for all to access government services, and the enhanced quality of health services. The major policies designed to achieve these priorities are as follow;

- Laying the foundation for the health insurance system that covers all sectors of the population;
- Health management in local areas instead of concentrated at the center.\textsuperscript{18}

**Challenges**

\textsuperscript{14} The determining plans and process of decentralization to local government organization Act B.E 2542 (1999)
\textsuperscript{17} “Transfer public health to the local administrations: lessons and suggestions”, HLSRI Forum (Y.1 No. 2 Sep 2012), retrieved 18 March 2016, from http://old.hsri.or.th/sites/default/files/hsri-forum2-website%20-2.pdf (in Thai)
As can be seen from the outline above, rural development in terms of infrastructure and the health care system has been developed continuously for several decades. It was particularly initiated by the King, and has been supported since 1997 by the decentralization policy of the government. Nonetheless, the Thai government still faces challenges in respect of the development of infrastructure and the health care services in rural areas.

1. The challenges in respect of infrastructure development

Although infrastructure development in rural areas - especially basic infrastructure, such as roads, electricity, transportation, water and sanitation – has been progressing positively under the decentralization policy\(^\text{19}\), two main challenges remain. These are 1) the conflict between interests at national and local levels and 2) a lack of communication and coordination which prolongs the development process.

- The conflict between national development and the needs of local people: In spite of the Decentralization Plan Act B.E 2542 (1999), which insists that local government representatives manage the policy on their own including infrastructure development, some types of infrastructure still fall within the ambit of the national government. According to the Highway Act B.E. 2535 (1992), amended in 2006, the national highway is the highway that connects the provinces and the regions, and this type of highway is the responsibility of the national government\(^\text{20}\). The law also states that only the local highway comes under the management of local government. However, sometimes the management of the national highway affects the local area. For example, in 2016, the extension of national highway no. 12 in Phetchabun Province, which was managed by the Department of State Highways, destroyed the tree tunnels, which were a landmark of the area. This upset the local people and some criticized the road extension on social media: they insisted that the area never faced traffic jams, even during the holidays, so there was no need to extend the highway.\(^\text{21}\)

- A lack of adequate communication between the national and local levels: The governmental mega projects for developing infrastructure usually affect local people, especially in areas where the infrastructure is built. Furthermore, if the effects of the project are serious, the acceptance of local people is necessary in order to avoid conflict that could flare-up into a national political dispute. However, it can be difficult to achieve acceptance among local people for some mega projects because of a lack of adequate communication between the national government and the local people. For example, the Nuclear Power Plants project has been a major issue for a few decades. Although experts indicate that nuclear power plants present an interesting solution to the increasing need for electricity\(^\text{22}\), the consent of the local people where the plant will be situated is necessary because of

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\(\text{20}\) Highway Act B.E. 2535 (1992), article 8


\(\text{22}\) Touchchai Sumitr. The possibility of the Nuclear Power Plants in Thailand, retrieved 8 March 2016, from http://www.nst.or.th/article/article492/article49205.html (in Thai)
the potential dangers of these plants. Nevertheless, the only information that reaches the local people is the need for a new energy source for electricity, while the information actually needed to get local consent revolves around the danger of nuclear power and how it can be managed to reduce the risk.\textsuperscript{23}

Moreover, there are also obstacles that prevent people from understanding the relevant information: media reports tend to present this information in terms that are too technical for people who are not specialists to understand. This leads to delays in realizing these projects.

### 2. The challenges in respect of health care development

Since 1997, the Public Health Ministry has recognized the importance of decentralizing health care services to local government in order to respond to the needs of local people, which vary from place to place. Although the pilot project to transfer the management of the 35 health care stations and some health care activities, such as reproductive health, to local government has been successful, challenges remain causing delays to the overall decentralization of health care services.

- **The uncertainty of the decentralization policy:** Although the decentralization policy has been stated clearly in the Constitutions of 1997 and 2007, the political instability leading to uncertainty in respect of the decentralization policy is one of the most significant obstacles to development\textsuperscript{24}. Although 39 health care stations have been successfully transferred - leading to a positive improvement of health care services in rural areas - there are still approximately 9,000 health care stations waiting for definite policy decisions from the government as to whether or not the transfer will continue\textsuperscript{25}: since the latest Coup d’Etat, the situation in respect of the decentralization policy is still uncertain and unstable.

- **A lack of health care personnel:** A lack of health care personnel in rural areas, especially general doctors, specialists and nurses, has been a significant challenge for many decades. In 2011, there were only 4,787 doctors working in rural areas compared with 40,994 doctors throughout the country; in other words, only 12 percent of Thai doctors were working in remote provinces.\textsuperscript{26} Additionally, in the communal hospitals in the rural areas, the ratio of doctors to the population as a whole in those regions shows that, in 2013, there was just one doctor to take care of 8,467 patients\textsuperscript{27}:

\textsuperscript{23} Tnews. People consent needed for the Nuclear Power Plant, retrieved 8 March 2016, from http://social.tnews.co.th/content/154566/ (in Thai)
\textsuperscript{24} “Transfer public health to the local administrations: lessons and suggestions”, HLSRI Forum (Y.1 No. 2 Sep 2012), , retrieved 18 March 2016, from http://old.hsri.or.th/sites/default/files/hsri-forum2-website%2020-2.pdf (in Thai)
\textsuperscript{25} King Prajadhipok’s Institute and Health Systems Research Institute. 2010. Policy Brief: The summary of the research findings and policy options concerning health care. Bangkok: Health Systems Research Institute, p. 11 (in Thai)
\textsuperscript{27} Hfocus. The communal hospitals cannot reach the standard of the operation, retrieved 8 March 2016, from http://www.hfocus.org/content/2016/02/11644
in the capital city of Bangkok, one doctor has responsibility for just 886 patients. Several strategies have been adopted since 1973 in order to overcome this challenge. For example, in 1973, it was announced that medical students graduating from a public university had to work in rural areas for three years or return 400,000 Baht (approximately USD 11,428) to the government. However, most doctors leave rural areas after the three-year stint. Another policy, called “Produce doctors for local people”, was announced by the Public Health Ministry in 1994. This project was designed to recruit medical students in an innovative way, in that it stipulated a quota for the recruitment of well-educated students from rural areas to study medicine at a public university. Moreover, the study program was also different because these students conducted pre-clinic practice in hospitals in remote areas. After graduation they were required to work in rural areas, which was usually their hometown, for six years.

Although the outcome of the project was quite positive because the graduate medical students in the project worked for the health care stations in rural areas for longer than the students who were not part of the project, the problem of insufficient doctors continues, especially in the three Southern provinces where political conflict and the violence remain. This is because there was no guarantee that doctors coming from the project would work in rural areas for the whole of their working life, and a policy to limit their work area cannot contravene the Constitution where such freedom in respect of occupation is guaranteed.

- The real capacity of health care in rural areas and Court rulings: Nowadays, lawsuits against doctors and hospitals, especially in respect of medical malpractice in Thailand, are increasing. According to a survey conducted by the Thailand Medical Council, in 2014 there were 214 civil lawsuits and 35 criminal lawsuits against public hospitals, including against hospitals and health care stations in rural areas where the quality of the equipment is still not as good as it is in

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29 Ibid. Generally, medical students at a public university pay less than the real tuition fees; in other words, their tuition fee is equal to that of other faculties. However, in reality the actual costs for studying medicine are much higher because of, for instance, the expensive laboratory fees. However, the surplus of the expenses incurred during the study period is borne by the government. Therefore, the idea was that the government would help to support their education; then, in return, after graduation, they had to work for the government in a rural area.
30 Ibid.
urban areas\textsuperscript{33}. This is a substantial increase compared with 2013, when there were 179 civil lawsuits and 24 criminal lawsuits\textsuperscript{34}.

Moreover, some Court rulings indirectly set standards of health care in rural areas even though these were inappropriate. For example, the Provincial Court of Tung Song sentenced the doctor of a communal hospital in the rural area to prison on the grounds of medical malpractice since an operation was conducted without an anesthetist in attendance.\textsuperscript{35} This means that anesthetists are now needed for operations even in rural communal hospitals where it is difficult to recruit them\textsuperscript{36}. According to a survey conducted by the Public Health Ministry in 2013, there are only 1,299 anesthetists in the whole country, and most of them work in urban areas\textsuperscript{37}. Therefore, nowadays, most communal hospitals in rural areas no longer perform operations and, therefore, transfer more patients\textsuperscript{38} who need operations to the Center hospitals. This is despite the fact that the transfer process is more risky for the patient than undergoing an operation without an anesthetist.

\textbf{Policy Options}

In response to the challenges stated above in respect of rural development in terms of infrastructure and health care, the following policy options can be proposed:

\textbf{1. Policy option for infrastructure development}

The challenges facing infrastructure development might be overcome by policy options as follows:

- \textit{Promoting public participation in governmental projects:} In Thailand, although there is the Regulation of the Office of the Prime Minister relating to public hearings B.E. 2548 (2005), this is rarely applied in reality because of the ignorance of governmental officials. According to the Regulation, public hearings are mandated only in cases where governmental projects might seriously affect the environment of the local people. But there is no clear definition of what can be considered a ‘serious effect’. The result is that the government departments who are responsible for the projects tend to avoid public hearing forums by interpreting that requirement in a way that suggests that any the project in question has no serious effects. Therefore, amending the regulation by indicating

\begin{footnotesize}
33 Ibid.
35 Provincial Court decision no. 3620/41
\end{footnotesize}
directly which kinds of projects fall within the category mandated for public hearings could be considered. Furthermore, communicating to local people so that they recognize the importance of their participation might help to make the process more effective.

- **Adequate information**: The improvement of communication between the government and local people in order to give them information that responds directly to what most concerns them, could be considered. Furthermore, co-operation between the national and local government levels might help to improve this understanding, as the government at local level might understand the needs of local people better than officials at national level. This co-operation might facilitate communication that encourages national government to respond directly to the anxieties of local people.

2. **Policy options for health care development**

To address the challenges facing health care development identified above, these policy options could be considered:

- **Improving the incentives and welfare of professional health care providers in rural areas**: As can be seen from the challenges, although specially targeted projects and an increase in recruitment have been used for decades to resolve problems, they remain: doctors have tended to leave rural areas after finishing the period of work in these regions that is required of them. Thus, improving of the welfare of, and incentives for, doctors working in rural areas might discourage them from moving to urban areas or to private hospitals.

- **Reconsidering the budget for health care**: Although health care services are covered by the decentralization policy, not all health care activities have yet been decentralized because quality needs to be assessed to ensure that it reaches the required standard before management is transferred to local government. Thus, most health care activities, including the development of health care stations and hospitals in rural areas, are still the responsibility of the Public Health Ministry. Moreover, to fully realize the Universal Coverage Policy, the Ministry needs to spend more money. However, the Ministry receives only a small budget\(^{39}\) - 125,145.9845 baht, which is only 4.6 percent of the national budget\(^{40}\). Therefore, an increase in the budget allocated to the Public Health Ministry could be considered in order to facilitate the improvement of the hospitals and health care stations in rural areas.

### Conclusion

\(^{39}\) MCOT. National Assembly concerns the budget of the Public Health Ministry, retrieved 13 March 2016, from [http://www.mcot.net/site/content?id=53e87813be0470ba9e8b472b#.VvypYOKLTIU](http://www.mcot.net/site/content?id=53e87813be0470ba9e8b472b#.VvypYOKLTIU)

The decentralization policy has been developed over approximately 15 years in order to promote the improvement of rural areas, and several challenges have already been overcome; these successes include the provision of sufficient infrastructure, and access to public health care services. However, the government, both local and national, should recognize the needs of local people and promote public participation in the development of infrastructure so that it more closely matches their needs. Although development continues in very positive way with a budget that increases every year, political conflict is still one of the most significant factors causing the delay of the decentralization development plan as stated above.

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