

GOVERNANCE AND CAPACITY BUILDING IN LOCAL DEVELOPMENT INSTITUTION:

Some Lessons From Khon Kaen Province, Thailand

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Sebagai sebuah Negara berkembang, Thailand memiliki banyak kesamaan dengan Indonesia. Namun dalam aspek kebijakan dan kinerja kebijakan, ada beberapa hal yang berbeda, sehingga dapat dijadikan sebagai pelajaran dalam menata kelembagaan dan kebijakan sector publik di Indonesia. Tulisan ini mengkaji beberapa aspek pemerintahan dan pembangunan kapasitas pada level sub-district di Propinsi Khon Kaen, Thailand, seperti program pelatihan bagi pegawai, isu seputar amalgamasi dan reorganisasi, pendidikan kemasyarakatan, perencanaan pembangunan dan partisipasi rakyat, serta aspek keuangan / finansial. Walaupun masih banyak permasalahan ditemukan, namun masyarakat yang memiliki motivasi tinggi untuk membangun, dan ditunjang oleh kebijakan pemerintah yang efektif, serta lingkungan yang demokratis, akan menjadi jawaban terbaik dalam mengatasi semua persoalan yang mungkin timbul.

Prologue

I am really fortunate for having opportunity to be a member of Overseas Fieldwork Program 2002 held by GSID Nagoya University. I left for Thailand on October 6 and would stay there for around three weeks. What bear in my mind at that time was that either Thailand or OFW program has nothing special; it is merely a place for relaxation and an occasion for pleasure. In addition, Indonesia has similar history, experiences, season, traditions, as well as political and economic policies. Therefore, I did not have strong conviction that I would find something challenging.

As predicted before, this country has plentiful gorgeous cultures and landscapes, coupled with hospitality of the people. From this standpoint, everyone must be attracted to visit it again and again. However, Thailand is not just a fascinating site. It is the fact that Thailand is a developing country with very impressive programs of preserving traditional values, religious belief and indigenous thoughts as its "way of thinking". Nonetheless, it is also true that modernization is a very commonplace process in all over the regions. In many aspects such as government, education, rural development, and any other aspects, modern approaches have been considered and implemented. In short, Thailand is, undoubtedly, a good model for academic exercise.

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This paper examines some governance aspects in the grass root level, and efforts to build capacity for low-level government (sub-district or Tambol). However, some theoretical framework will be served before describing the findings on Thai governance.

Theoretical Review on Governance and Capacity Building

Since the last three decades, there is a shift of concept from "government" to "governance". This addresses a transformation from conservative style of government to new public management (NPM) movement. The main distinguished feature is that the previous places government to be a "single fighter" in development processes, while the latter requires peoples' and private sectors' involvement in overall developmental system. The concept and issue of good governance and democracy (taken together as 'democratic good governance') also dominates and becomes confident assertion of official western aid policy (Leftwich, 2000:127).

According to UN ESCAP (2002), governance means *the process of decision-making and the process by which decisions are implemented (or not implemented)*. Government is one of the actors in governance; other actors involved vary depending on the level of government. In rural areas, for example, other actors may include influential landlords, association of peasant farmers, cooperatives, NGOs, research institutes, religious and other informal leaders, financial institutions, etc. The situation in urban areas as well as in national level is much more complex, which embraces media, lobbyist, international donors, multinational corporations, political parties, and the military as prominent actors.

From the "social-political" perspective, Kooiman (2002: 5) reveals that governance is *all those interactive arrangements in which public as well as private actors participate aimed at solving societal problems, or creating societal opportunities, attending to the institutions within which these governance activities take place, and the stimulation of normative debates on the principle underlying all governance activities.* In short, (good) governance is characterized by effective, efficient, entrepreneurial and accountable government in conducting and achieving both developmental programs and goals.

In order to produce good governance, capacity of each actors of governance needs to be strengthened or improved. In this sense, UNDP (1998) defines capacity as *the ability of individuals and organizations or organizational units to perform functions effectively, efficiently and sustainably*. This definition implies that capacity is not a passive state but part of a continuing process and that human resources are central to capacity development. Capacity development itself can be identified as *the process by which individuals, groups, organizations, institutions and societies increase their abilities to:* 1) *perform core functions, solve problems, define and achieve objectives;* and 2) *understand and deal with their development needs in a broad context and in a sustainable manner* (UNDP: 1997).

The term *capacity development, capacity building, and institutional development* are somewhat interchangeably. GTZ (1999), for instance, prefers to use the term *capacity*

building and believes that it is not defined through the instruments used, but its goal to enhance the capability of people and institutions sustainability to improve their competence and problem-solving capacities.

It means that instruments, tools, or methods are not the key factors in capacity building program. Instead, the process of individual and group capacity building by which an organization might be able to show the best performance is the most important part of capacity building program. Similarly, Brown (et.al., 2001: 5) insists that in general terms, capacity building is a process or activity that improves the ability of a person or entity to carry out stated objectives. In practice, however, capacity building is often equated with **strengthening the organizations and the people that enable services to be delivered effectively and continuously through the execution of different functions.**

Basically, all definitions above highlighted at least in three aspects as follows: 1) capacity building is a process; 2) that process should be carried out at three different levels: individual, institutional/organizational, and system; and 3) that process is done to ensure organization sustainability through an objective achievement. It means that indicators functioned as a tool of measurement / assessment is completely needed.

Training and Decentralized Participatory Governance: Twinning Methods for Building Capacity

As mentioned above, strengthening organization and enabling people is extremely essential to realize community development goals. In other words, effective and efficient organization and high competence people will lead to high capacity of a society or a country. Therefore, human resource should be developed and organization should be strengthened if capacity is to be well fashioned. In this case, good training program and high-decentralized governance are two major factors which determine the successful of building capacity. In line with this statement, Grindle (no year) presents that there are three dimensions or strategies of capacity building initiatives, as can be seen in the following table.

In analyzing capacity building for community development in Khon Kaen Province, Thailand, two activities are selected; they are, training for government official (HRD strategy) and decentralized governance (institutional reform strategy to strengthen organization). Indeed, the more comprehensive strategies or activities, the better. However, those two activities or methods are believed to be having a significant impact on capacity building

Table 1. Dimensions / Strategies and Focus of Capacity-Building Initiatives

Dimension/Strategy	Focuses	Types of Activities
Human resource development	Supply of professional & technical personnel	<i>Training</i> , salaries, condition of work, recruitment
Organizational strengthening	Management system to improve performance & specific tasks/functions; microstructures	Incentive systems, utilization of personnel, leadership, organizational culture, communication, managerial structures
Institutional reform	Institutions and systems; macrostructures	Rules of the game for economic and political regimes, policy and legal change, constitutional reform, <i>decentralized governance</i>

Good Governance and Community Development: Context of Khon Kaen Province

It is unquestionable that people's participation in the development is totally essential. Principally, the level of participation in development process has two main functions and implications. Firstly, it can determine the success of economic and social development, and secondly, it shows the quality of democracy in a society or country. From the developmental perspective, the role and responsibility in development should be shared or distributed among the actors of development. The idea is that government is utterly unable to conduct all of things due to its limitation in the field of human resources, budgets, and infrastructures. The "one man show" approach, which gives government the biggest and dominant role in both societal and business activities, therefore, should be avoided.

On the other hand, participation constitutes one of the most important characteristics of either good governance or democratic state. It is not to say that the other features such as accountability, rule of law, and openness / transparency, are not important. Rather, comparing to other three factors, participation is a factor that directly connected to the attempt in empowering peoples. Basically, it is realistic to say that the higher people's participation in the development, the better democracy in a society will be.

Based on those reasons, the awareness of local government to encourage people's participation is a worthy thing. In the context of Thailand as a developing country, the local governments at the grass root level usually have legal basis that provides that *people's participation should be promoted*. This legal base is laid on TAO Act 1999 (Art. 16 Sec. 2). Surely, there are so many tasks or functions that TAO have, but again, due to the very importance of people in development, this function needs to be highly prioritized.

In the case of Kud Nam Sai TAO in Khon Kaen Province, most of the populations are engaged in agricultural sector (Lekuthai, 2002). Based on this, it could be easily imagined that the main feature of this TAO is rural area. Because of this feature, it is logical that participation should be focused on the effort of rural development promotion. In this case, rural development could only be accomplished through the synergy of role from the three actors in that region: local (TAO) government, local peoples, and private business. The synergy and mutual relationship between those actors reflects the implementation of good governance concept in rural development.

Unfortunately, the role each actor is not very well accomplished yet. For instance, the planning and administrative capabilities of TAO personnel are not efficient, while the community participation in the development is not so active. At the same time, the private business sector plays very little role in the community development. These problems are very serious, that likely cause the deceleration of rural development. That is why, in order to minimize the problems and to endorse the rural development, broadening and strengthening the participation from rural community as well as private business, is really a strategic option.

So far, the local government remains the main actor which has, at least, three roles as following: 1) financing and subsidizing various social groups and activities, 2) providing and maintaining public utilities (both physical and social infrastructure), and 3) improving HRD through training provision. Private business has only one role,

contributing to local revenue through tax paying. It is ironic that from preliminary study, peoples have no significant role or participation in the development.

In the future, the major agenda in promoting rural development is balancing the role of local government, local peoples, and the private business. Hypothetically, if the government's roles are bigger than the rural peoples' and the private businesses', it can be judged that they reflect an authoritarian undemocratic regime, or the implement centralized governance system. And if the government's roles are smaller than or equal to the rural peoples' and the private businesses', they realize the principle of participatory / devolved governance, and they constitute a democratic regime.

Findings on Governance and Capacity Building in Khon Kaen Province, Thailand

Training for Civil Servant

There are two types of training for TAO government officers, those are, training for those in elected position (President of TAO) and training for appointed positions (permanent staff). Both training sessions are set up by Department of Local Administration (DOLA). In this case, DOLA plays an essential role in designing the type of training, formulating curriculum, appointing participants, evaluating results of training, as well as allocating budget for training programs.

1. For elected position: Training on Leadership and Management.

2. For permanent staffs: Functional and Technical Training based on the specialties and responsibilities of a certain position.

- Chief of Finance Section : Training on Accounting.
- Chief of Public Works Section : Training on Planning or other aspects of public works.
- Chief of Staff : Legal Training.

There are two main problems concerning training system. First of all, there is no clear regulation concerning the length of training and when it should be provided to someone after occupying a certain position / job. Decision to send participant to training is based merely on the idea that it is considered as important and beneficial, and therefore, a staff should attend a training program. This phenomenon does not support the basic theory of training that systematic training program will notably contribute to the higher capability of human resources.

The other problem is that although TAO may organize its own training programs, but barely it is willing to do so. There are two reasons of this. First, the number of staff in TAO is quite low so that it will be inefficient to conduct training independently. In addition, the budget provided per year is very low (around 50,000 baht) so that it should be spent effectively. The other reason is that TAO relatively depends on Central / Province government in terms of trainers. That is why, TAO's role in improving human resources through training is not so significant.

In order to optimize the training system, the following strategies need to be considered and implemented:

- Central Government or Provincial Government (DOLA) should formulate a clear regulation on Training for Government Employees. This regulation should cover dimensions of training such as appropriate type of training for each position, length of training session, and timing: when or how often training should be provided for each position. This regulation should also guarantee that all government officers have a right to be trained, that proper budget and facilities of training are provided, and that of training assessment is properly implemented.
- TAO government should take initiative to form an official agreement to cooperate with neighboring TAO's in order to conduct joint training programs. This method of training management will lead to a more effective program (reduced cost, increased sharing of ideas and experiences among participants) so that TAO's dependency on Central Government or DOLA will decrease.
- The Central Government needs to launch a set of policies on "Decentralization of Human Resources" to local authorities, especially at the TAO level. With this reform TAO will have greater authority and freedom to formulate and implement policies on human resources development, not only in training programs, but also in other aspects of human development such as recruitment, job placement, positional appointment, salary, etc.

Issue on Amalgamation and Reorganization

In governance aspect, a very obvious futuristic strategy formulated is amalgamation of local authorities. According to Sub-article 4 of Article 41 Amalgamation Law, "any TAO which has a population less than 2,000 people, and has administrative problems that hinder its ability to perform public services with efficiency, shall be dissolved by the Interior Ministry, and be merged with another adjacent local authority within the same district, as indicated by the local residents' preference. This amalgamation process has to be completed within 90 days from the day such causes had occurred".

The issue of amalgamation unusually takes place in developing countries, but does in Thailand. Learning from success story of Japan in conducting amalgamation, Thai government has tried to improve the efficiency of public sector through integrating some TAO (Tambol Administrative Organization) into one unit of autonomous local government. The goal is to tackle areas of administrative overlap between the provincial administration, municipalities, and TAOs. The "merger and acquisition approach will cut the number of municipalities and TAOs nationwide to around 5,000 from the total 7,498 at present (Bangkok Post, Oct. 3, 2002)

For sure, some positions will disappear as a consequence of the downsizing policy, but the reason of efficacy nullify the need to simply distribute powers among officers or elites.

People's Education

Education is another interesting case. It is quite astonishing that education decentralization is not a new concern in Waeng Yai District. The curriculum of Ban Don Joad School consists of 80% of national standard with 20% of local content. Based on this system, the school managers have designed some practical knowledge or applied science such as chicken and pond fish raising, mushroom production, and any other agricultural commodities cultivation.

As a result, people who graduate from the school are expected to have appropriate ability to optimize the farmland use or livestock operation. From a broader perspective (macro-economy), it can be affirmed that both the country and the society build the national economy based on comparative advantages, which are already existed around them. This short picture implies the role of education on the economic growth.

Development Planning and Public Participation

Tambol government has two types of development planning, those are, five years plan and annual plan. In formulating such plan, TOA conducts two activities:

1. Distributes questionnaire to all households (around 7,000) in the Tambol, which is aimed to detect basic needs of the people.
2. From academic aspect, TAO discusses and consults with experts from university and informal leader, including monk and private sector.

The development plan is mainly focused on fulfillment of basic needs such as health, sanitary and public infrastructures. However, some empirical data indicate that the construction of infrastructure is more prioritized than the development of social sector. Public infrastructures in Tambol Kud Nam Sai, for example, are very well provided as indicated by mostly paved village roads and constructed electricity networks. Although the benefit of physical-oriented development is under debate, Tambol governments in Nam Phong District have their own reason. By building good infrastructure, they argue, farmers may access their land easily, so that the agricultural productivity could be improved significantly and, in turn, farmers' living standard would accelerate automatically.

In Thailand, it is very obvious that the King has determinant role in formulating the development planning. Generally, the basic idea and content of national planning comes from King's guidance. In turn, TAO's plan should be formulated in line with the plan of higher governmental level: district, province, or national level. In doing so, local government will always distributes questionnaire to all citizens to obtain the need, hope and vision of people. Surely, it constitutes the other uniqueness of Thailand: total obedience of people to the King in a very democratic atmosphere.

The basic problem in development planning is that TAO government focuses its priority highly on the physical infrastructure development, and gives less attention to the human capital enhancement. As a result, most of roads in the village have been well paved

while electricity network has reached farming area. But the level of education and other indicators of human development index are still low.

Referring to the above problem, then the development plan should incorporate the vision in the future (long-term goals). Five years plan and annual plan should be functioned as mission and program, respectively, to the future vision. Without vision, mission and program may solve only the short-term problems, but may not able to realize the dream of future. In other words, there is a missing link between the ideal features in the future and the activities done in the present. And the function of vision is to omit such missing link.

Financial Aspect

The main source of income for TAO government is taxes. There are some types of Tambol taxes, such as land tax (used by farmers), advertisement tax, factory / commercial activities tax, and taxes from other activities that produce dust or pollution. The other types of taxes belong to higher level of government. For example, transfer land tax is district tax; forest tax belongs to province government; and whisky / alcohol / tobacco tax, and vehicle tax belongs to central government.

Taxes collected from Tambol's tax can only fulfill 20% of total TAO's budget. It is insufficient to finance TAO's activities, so that it needs subsidy from central government. Therefore, the composition of budget / revenue of TAO is local taxes

(20%), central government's subsidy (60%), and special subsidies (20%).

The main difficulties encountered by TAO in financial aspect are:

- The financial capacity of TAO is low to accomplish its functions and authorities optimally.
- There are some delays of disbursement in the beginning of fiscal years (usually in the first three months). In other words, TAO cannot use its budget instantly due to red-tape bureaucracy.

In order to deal effectively with such obstacles, sources of taxes and fees need to be diversified. In addition, the policy of tax reduction and tax exemption needs to be adjusted through the comprehensive studies. It is also necessary that Central Government should launch a set of policy on "Fiscal Decentralization". This policy should contain rearrangement of tax proportion between central and local government. At the same time, it should legalize local governments to strengthen their financial capacity through the implementation of some activities such as establishing AOE and TOE (Amphur and Tambol Owned Enterprises), building cooperation or agreement with financial institution both domestic and international to get developmental aids, etc.

Concluding Remark

There are so many other specific and appealing features in this country. However, it does not mean that there is no problem encountered. Prof. Lekuthai (2002) identifies seven problem areas in Khon Kaen Province,

those are, economic, social, infrastructure, labor and social welfare, natural resources, human resources, and city planning problems. In this sense, the question is not why there are so many problems in a society, but how does the society deal with their daily problems. In the context of Thailand, motivated people, effective policy of government, and democratic environment would be the best formula to solve all difficulties they might have. In addition, the traditional values combined with modern approach of development promises a better future for both the country and the society.

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