

# THAI PUBLIC SERVICE IN RELATION OF RHODES'S GOVERNANCE APPROACH \*

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## Abstract

This study presents a discussion of the approach of governance as the term came to be used since the 1980s and the 1990s and the way to employ the concept of governance which has been adapted from Rhodes (1996 and 2017) by concerning only five separated uses of 'governance' and how to implement them in terms of Thai public service by including: 1) as the minimal state 2) as corporate governance 3) as the new public management 4) as good governance 5) as self-organizing network. In sum, the analysis with Rhodes's governance approach in terms of Thai public service is founded that despite how much the world has changed, the central government still plays a crucial role in maintaining control over and managing public services in Thai public administration system.

**Keyword:** Governance, Public Service, Implementation

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## Introduction

In 1996, Dr. Rhodes states that the concept 'governance' is popular but imprecise. (Rhodes R. A., 1996). The concept of "governance" is not new, as the term came to be used since the 1980s and the 1990s (Sharma, 2018) and it has embedded in both political and academic discourse more than two decades. Furthermore, it depends on the context that we have focused. The governance infrastructure is the collection of governance operating models the people, processes, and systems that management has put in place to govern day-to-day organizational activities. This operation and management include the processes for gathering and reporting the information to the board and external stakeholders, also to management. (Baret, Hida, Hatfield, Sandford, & Vazirani, 2013). Moreover, it is up to the level or practices per se. Interestingly, in 21<sup>st</sup> century the concept of governance has taken for granted to be in the field of public administration and perpetually employs the concept with quite different meanings and implications. This paper explores the way to implement the concept of governance which has been adapted from (Rhodes R. A., 1996) and (Rhodes, 2017) by concerning only five separated uses of 'governance' and how to understand them in terms of Thai public service.

- 1) as the minimal state
- 2) as corporate governance
- 3) as the new public management
- 4) as good governance
- 5) as self-organizing network



## As the minimal state

Public bureaucracies are obsolete (Björk & Johansson, n.d.). The bureaucracy is too large and consumes the resources for many activities. On the contrary, bureaucracy does provide insufficient resources and service to people in the state. To support, (Bowornwathana, 1997) clarifies that the private sector could allocate the public services meet the better performances. The private sector is function efficiently and let market mechanisms makes the optimal competition, while public sector could not do equally. Also, when global economy has been changing. The private sector is needed in terms of economic development. As the term of minimal state, it embodies the ideological and political call for downsizing the state. The minimal state term should perform only basic functions. For examples:

### State-Owned Enterprises

Currently, there are six energy-related state enterprises, i.e.

- 1) Electricity Generating Authority of Thailand (EGAT)
- 2) Metropolitan Electricity Authority (MEA)
- 3) Provincial Electricity Authority (PEA)
- 4) Petroleum Authority of Thailand (PTT)
- 5) PTT Exploration and Production Co.,Ltd. (PTTEP)
- 6) Bangchak Petroleum Public Co., Ltd. (Bangchak)

## Current Government Participation

Additionally, the energy-related businesses which are not state enterprises but in which the government or state enterprises hold shares include:

- 1) Thai Oil Co.: PTT holds 49%.
- 2) Electricity Generating Public Co., Ltd. (EGCO): EGAT holds 25.8%.



**3) Fuel Pipeline Transportation Co., Ltd. (FPT):** PTT, Bangchak, Thai Airways International Public Co., Ltd. and Airports Authority of Thailand altogether hold 44%.

**4) Thai Petroleum Pipeline Co., Ltd. (THAPPLINE):** PTT holds 30.6%.

**5) Thai LNG Power Co., Ltd. (TLPC):** PTT holds 40%.

**6) Esso (Thailand) Public Co., Ltd.:** The Ministry of Finance holds 12.5%.

**7) Rayong Refinery Company (RRC):** PTT holds 36%.

**8) Star Petroleum Refining Co., Ltd. (SPRC):** PTT holds 36%.

**9) Bangkok Aviation Fuel Services Co., Ltd. (BAFS):** PTT, Thai Airways and, Airports Authority of Thailand hold 49%.

## Previous Implementation

The following measures have been implemented to promote a greater role of the private sector in the energy industry:

### Public Offerings

Shares of the following companies were listed on the Stock Exchange of Thailand (SET), resulting in the dilution of the government/state enterprises to the following proportion:

**1) PTTEP:** PTT's shareholding has been diluted to 60.7%.

**2) EGCO:** EGCO purchased Rayong Power Plant and Khanom Power Plant from EGAT and listed its shares on the SET. At present, EGAT's shareholding is 25.8%.

**3) Bangchak:** Its shares were listed on the SET by diluting the government's shareholding to 80%



## **IPP's and SPP's**

The electricity supply industry is now being deregulated to allow private sector investment in power generation projects, in the form of both IPP's and SPP's, and to sell electricity to EGAT. To date, EGAT is expected to purchase power from seven IPP projects, with a total capacity of 5,944 MW, and from approximately 55 SPP projects, with an estimated total sale of 2,500 MW. Power purchase from IPP's and SPP's will result in the reduction of EGAT's required investment in power generation by approximately 300,000 million baht (Energy Policy and Planning office (EPPO)).

Consequently, the data illustrates that Thai public sector handles less issues and minimal the state by allowing the private sector to participate the public service and sharing of power between public and private actors, most commonly between business, trade unions and the government. Thus, as the minimal state, a nation having the fewest number of powers imaginable. In political way, it refers to a situation in which the obligations of the state are so limited that further reductions are impossible.

## **As corporate governance**

Corporate governance is directed by the system of rules, practices and processes of the company. Corporate Governance focuses on how company are governed and what are the certain purpose? Furthermore, power, accountability and decision making are the key concepts. It includes the board's management operation to function the mutual interest with balance in terms of businesses (shareholders, employees, suppliers, customers and the community) and all stakeholders. In addition, the concept of corporate governance is quite broad. It includes the processes, customs, policies, laws and institutions that directs the organizations and corporations in the way they act, administer and control their operations. (Khan, 2011). Corporate



governance functions to reach the purpose of organization and enhance to connect the relationship with all stakeholders. Interestingly, (Oman, 2001) describes the terms corporate governance as the private and public sector which include laws, regulations and the business practices that governs the relationship between the corporate managers and the stakeholders.

The Organization for Economic Cooperation and Development (OECD) states that “corporate governance is defined as the system by which business corporations are directed and controlled. Corporate Governance refers as a tool to manage and control the function with high transparency. It enables the investors both individual and shareholders that the corporate governance organization would not misuse the funds for operating the business. However, public sector runs the business with social responsibilities to serve the communities other than make only profits. (Vartak, 2018) explains that corporate Governance protecting the interest of investors also, it aims at achieving fairness and transparency in transactions with all the stakeholders including customers, employees, investors, vendors, government and the society at large.

In the light of Thailand, the basic tenets of corporate governance are accountability, responsibility, equitable treatment, transparency, vision, and ethics (Limpaphayom & Connelly, 2004). To clarify, the 2013 ROSC, a formal assessment of the OECD Principles of Corporate Governance, confirms that Thailand has emerged as a regional leader in corporate governance with a relatively comprehensive framework and has achieved high levels of compliance in a number of key areas. According to the ranking in the report, overall disclosure has a score of 87 out of 100 - one of the highest scores recorded as part of the ROSC program (ROBINETT, 2013). With very high-



performance results, the CG provides to serve the best service to public efficiently. The company directs and controls the system of rules, practices and process of the corporate governance. Consequently, under the CG concept and operation, the business runs depending upon the four pillars namely transparency, full disclosures, independent monitoring and fairness to all people.

Accordingly, corporate governance is the framework for managing and directing businesses. The governance of companies is the responsibility of the boards of directors. The shareholders' responsibility in corporate governance is to select the directors and auditors, as well as to ensure that a suitable governance framework is in place.

### **As the new public management**

The New Public Management (NPM) refers to a series of novel approaches to public administration and management that emerged in a number of OECD countries in the 1980s (Robinson, 2015). In the 1980s new public management became an international trend with its market-oriented approach to management (Chigudu, 2014). The government would provide public service and public policy through a wide range of private and non-profit actors. NPM is a concept to manage public service and to make the public service more "businesslike" and to improve its efficiency by using private sector management models. Moreover, one could also regard both NPM and governance as answers to the growing complexity of society and the difficulties of the classical welfare state to cope with that complexity. Growing specialization in modern society causes increasing interdependencies (Castells, 2000). Importantly, the NPM's main factors are: the privileging of markets as the key mechanism through which to coordinate resources with need; output as a key component of legitimacy; a managerial orientation to organizational



performance management; the repositioning of citizens as customers or consumers; a preoccupation with performance measurement and management; and the assumed superiority of private sector management techniques (Strokosch & Osborne, 2018).

In Thailand, Asian financial crisis hit in 1997, Thai government has offered a radical public sector management reform. In 2001, Dr.Thaksin Shinnawatra has been elected to be Prime Minister. His team has focused on New Public Management (NPM) to public sector since. Also, Thai public sector has been employed information technology and encourage citizens to participate in government activities (Mongkol, 2012). Paradoxically, traditional bureaucratic culture is an old-fashioned management still strongly embedded in Thai public sector at that time. So, implementation with NPM is not one size fit all approach to fix every problem for Thai bureaucracy. However, marketization and democratization are based on the rule of law and implemented by Office of the Public Sector Development Commission (OPDC) which is the action of the Bureaucracy Reform in B.E. 2545 has resulted in significant changes in administration process and major restructuring of government sectors, which are ministries, ministerial bureaus and departments. The OPDC is responsible for supporting the Public Sector Development Commission through giving recommendations and suggestions to the minister cabinet who is responsible for the bureaucracy development and other public sector duties, which include structure of bureaucracy, budgeting system, personnel system, moral virtue and ethics standard, compensation and other public sector practices, to be carried out in accordance with the aspiration of the National Government Organization Act (5th Revision) B.E. 2545 and the royal decree 2546 B.E. on the principle and practice of good governance (OPDC, n.d.).



Then, the “attempt to implement management ideas from business and the private sector to public services”.

## As Good Governance

The definition of good governance can be defined in various way. Firstly, by United Nation, good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law (Sheng) Secondly, by United Nations Development Program (UNDP), Good governance refers to governing systems which are capable, responsive, inclusive, and transparent (Clark, 2011). Thirdly, OECD focuses in particular on the principal elements of good governance which includes: accountability, transparency, efficiency and effectiveness, responsiveness, forward vision and rule of law (Organization for Economic Cooperation and Development (OECD). Next, by World Bank President’s speech, Paul Wolfowitz, in Jakarta, 11 April 2006, “In the last half-century we have developed a better understanding of what helps governments function effectively and achieve economic progress. In the development community, we have a phrase for it. We call it good governance. It is essentially the combination of transparent and accountable institutions, strong skills and competence, and a fundamental willingness to do the right thing. Those are the things that enable a government to deliver services to its people efficiently (Gisselquist, 2012).

Interestingly, (Pongpaichit, 2001) concludes that World Bank uses the term good governance in terms of putting in place a better legal framework to ensure transparency and accountability in public administration. World Bank focuses on a top-down exercise and never touch on the issue of political reform. However, Thailand’s recent experiences in combatting corruption highlights the importance of political reform and the role of social movements



working from below. Participation of the people is critical to the success of efforts to put in place new independent institutions to ensure human rights, community rights, and the rights of citizens to investigate the behavior of politicians and bureaucrats. In addition, Prime Minister Prayut Chan-o-cha has stressed the importance of promoting good governance in public sector reform, which is a step toward reshaping the country in the future. Also, the Public Sector Development Strategic Plan, 2008-2012, was implemented. Among strategies in the plan was the reengineering work process to achieve an integrated approach, coordination, and networks with public participation (Foreign Office, 2015). Moreover, Thailand still needs to function good governance in political system to implement regarding Thai bureaucracy and democracy through all levels of government.

So, all governing processes, institutions, and procedures by which decisions on matters of public concern are made and regulations are referred to as governance.

### **As self-organizing networks**

In democracy system, the elected representatives are central theme for political system. In principle of governance, accountability concept allows citizens to monitor the exercise of public authority via the process of political system. (Hahn, 2011) points that trend in governance, however, are diluting the authority of nation states by decentralization of power to local authorities or centralization to global and regional institutions. As self-organizing networks all citizens can do pattern formation without control by centralization system. Rhodes (1996) states that at its simplest, self-organizing means a network is autonomous and self-governing and governance is about managing networks.



Network collaborative is the concept of trusting, mutual benefits, common perception, stakeholder's participation, complementary relationship, interdependence, and interaction to reach public service purpose.

By the way, in Thailand, forest issues are taken for granted to be an example of civil society network. It is formed in order to be the mechanism to enhance participation of citizens and public sector, local communities and multi-network. To exemplify the implementation in Thailand, on 25-29 april,2019, civil society network, NGO and 40 staffs from public sector were in the conference to develop national forest network which organized by CF Net (Community Forestry Networks) (RECOFTC, 2019). In conclusion, civil society is the collaboration network with the invention and development of collaboration to improve the process. Public sector support is the collaboration network with the public sector in order to support the relationships between the other units or the other business organizations for the exchange of knowledge for the development of performance or new initiation for public service. Organization Support is the collaboration network in order to provide efficient team to integrate the diversity into the manage the results for public service.

Therefore, as self-organizing networks, the political system concentrates on governance as referring to networks in which private, non-profit, and public individuals and organizations interact to provide public services.

## Conclusions

In order to understand the concept of governance in relation to Thai public service which is concreate under the adapted framework of Rhodes (1996) (2017), governance is the implementing and forming system which we can discuss and argue in terms of the role of social actors in that process. Hence, a hybrid of different models is implemented in many developing



countries without stating properly of the basic structural problems in relation to corrupt bureaucracy. However, in old-fashioned Thai public administration system, no matter how much the world has changed, the governance's capacity and are shaped by political instability. Unavoidably, the central government continues still to play a crucial role in managing and running the public sector.

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