Editorial Introduction

In this issue, Professor Sakon Varanyuwatana of King Prajadhipok's Institute, produces a very insightful article on the current issue that Thailand and many developing countries are going through the transitions. His article, "Fiscal Decentralization and Intergovernmental Transfer in Thailand," sketches how economic development can be promoted through fiscal decentralization. The paper also outlines the impediments to fiscal decentralization in Thailand.

Fiscal decentralization is considered the key public policy for improving local public governance. Theoretically, fiscal decentralization can be an instrument to embrace local governments to improve the efficiency and effectiveness of public services delivery to the local people that could improve local accountability to all stakeholders. Well-implemented fiscal decentralization would help to improve the quality and efficiency of local service delivery, and reducing regional economic development disparity.

Decentralization has also been regarded as a mechanism to support economic development as well as a key factor in synergizing the public sector reform program. Though Thailand has experienced three decades of economic growth and development, the uneven distribution of benefits from economic growth has led to disparate levels of economic development across different regions. In principle, fiscal decentralization can help to alleviate and mitigate this inequality.

In accordance with the enactment of the Decentralization Act of 1999, six functioning areas have been transferred to Local Administrative Organizations (LAOs): (1) Public infrastructure investment, (2) Improvement of Quality of Life, (3) Order, and Security of Communities and Society, (4) Planning, Local Investment Promotion, Commerce and Tourism, (5) Conservation and Management of Natural Resources and Environment, and (6) Local Culture, Tradition, and Local Wisdom. These are areas in which LAOs either have better information about local needs or are related to basic necessity of the local people. There are, however, concerns regarding the quality of services provided by LAOs, resulting in an undermined autonomy. Regarding revenue assignment, Thailand opted for 'revenue sharing' approach, thereby forcing the central government to share at least 35% of its net revenue to LAOs. While this measure supported LAOs financially, it discourages local accountability, and does not incentivize LAOs to generate local revenues. Given this situation, the fiscal standing of LAOs is somewhat constrained.

The second article, "Do Thai Credit Card Consumers Have Self-Control?" by Niwarn Ponpunthin and Tatre Jantarakolica, explores whether Thai credit card holders have self-control in terms of credit card utilization rate using the panel dataset from the National Credit Bureau (NCB), under the theoretical framework of Life Cycle Hypothesis proposed by Ando and Modigliani (1963) and the Economics of Self-Control proposed by Thaler and Shefrin (1981). In 2015, the use of credit card in Thailand has been growing significantly, accounting for approximately 1.72 trillion Thai Baht. The issue of excessive credit card debts has increasingly been a major concern for the government.

Pornpunthin and Jantarakolica employed the multi-dimensional panel dataset from the National Credit Bureau which is a quarterly panel data of 40,512 credit card holders. The dataset spans three years- from the fourth quarter of 2013 to the third quarter of 2016. Summary statistics reveal a worrying picture; most of Generation Y credit card holders have debt service ratio (DSR) of approximately 104%, while

Generation X holders have DSR of approximately 89%. Moreover, the DSRs of those who have been listed as 'special mention (SM)' and 'non-performing loan (NPL)' within the past 3 years are estimated to be 360% and 400%, respectively.

The regression results imply that, generally, Thai credit card users have partial self-control. In other words, the average of the card holders have certain levels of card spending in their mind, regardless of any increment in credit limits. However, the SM and NPL card holders tend to fall into the "illusion of income". When their credit limit or purchasing power increases, they simply increase their credit card balance despite having the same income level. Other findings indicate that self-control weakens with an increase in the number of credit cards or being liable to other kinds of debts. Understanding the debt-creating behaviour across the population may assist policymakers to tailor credit card policies for different customer groups and improve the quality of lending in Thailand.

The third paper, "A Year of Trump: Politics and Realities of President Trump's Economic Policies," by Brian Kennedy details out the relationships and constraints that are influential in Donald Trump Presidency. It can be said that the election outcome in the United States last year came as a surprise to the vast majority of political scientists and analysts. The paper seeks to explain, in the author's own perspectives, what impact on economic policy, and through that policy what impact on the real economy, has occurred, and will continue as President Trump's enters his second year in office.

Thammasat Review of Economic and Social Policy (TRESP) is a young biannual double-blind peer reviewed international journal published in June and December. The Faculty of Economics, Thammasat University and the

Editorial Team of TRESP seek to provide an effective and impartial platform for reflecting practical and policy-oriented perspectives that links the academic and policymaking community. Having devoted to our ‘knowledge-for-all’ philosophy so as to drive our society forward, the Faculty decided that TRESP published in an open access model. For further information and updates on this journal, or to submit an article, please visit our website at www.tresp.econ.tu.ac.th.

Euamporn Phijaisanit
Editor-in-Chief