



THE UNIVERSITY OF
WAIKATO
Te Whare Wānanga o Waikato

Research Commons

<http://researchcommons.waikato.ac.nz/>

Research Commons at the University of Waikato

Copyright Statement:

The digital copy of this thesis is protected by the Copyright Act 1994 (New Zealand).

The thesis may be consulted by you, provided you comply with the provisions of the Act and the following conditions of use:

- Any use you make of these documents or images must be for research or private study purposes only, and you may not make them available to any other person.
- Authors control the copyright of their thesis. You will recognise the author's right to be identified as the author of the thesis, and due acknowledgement will be made to the author where appropriate.
- You will obtain the author's permission before publishing any material from the thesis.

**In Pursuit of Development:
Casinos and Local Government
In Northern Thailand**

By

Siriluck Tanawichai

Bachelor of Education (Prince of Songkla University, Thailand)

Master of Education (Chiang Mai University, Thailand)

Master of Art and Social Sciences (The University of Waikato, New Zealand)

**Thesis Submitted in Fulfilment of the Requirement for the Degree of
Doctor of Philosophy in the Department of Political Science and Public Policy
The University of Waikato**

2005

Abstract

This thesis takes as its starting point the Government of Thailand Ninth National Economic and Social Development Plan (2002-2006). Among many provisions and proposals the Plan gives special emphasis to encouraging local participation, decentralising government, boosting the capacity of local administration to undertake a wide range of responsibilities, as important steps in the economic and social development of Thailand. However, the Plan does not offer recommendations for the legislative provisions required for its proposals to happen, providing the candidate with the opportunity to develop a case study in applying the Ninth Plan to Chiang Mai, the main local government administrative unit in Northern Thailand.

This study examines the Ninth Plan's proposals for participation, decentralisation, good governance. Before outlining the proposals developed by the Chiang Mai Municipality to the Ninth Plan, the structure and provisions of local government in Thailand are set out, giving details of the continuing reliance of the local municipality on central government. One of the major gaps in the Ninth Plan is on how the decentralised relations between central and local government should be changed. The case study introduces the discussion on casinos and considers the economic, social and policy issues in Chiang Mai, using Chiang Rai as a control group. The reality of gambling in Thailand is set out concisely and serves to show the extent of the present incidence of illegal gambling. This is related to the Ninth Plan's concerns with good governance and the extent of corruption in the Thai public service. The illegal gambling takes place because of backhanders and payouts and it is considerable. This is building up part of the case for the serious consideration of introducing a casino – make them legal and with the financial revenues channelled into appropriate developments and the social and policy problems dealt with effectively.

The findings of the survey contain both structured and unstructured sections. The structured questions invite responses from decision makers and opinion leaders from both Chiang Mai and Chiang Rai on economic, social and moral, and the political and policy issues associated with the possible introduction of a casino. The unstructured part of the survey does shed some useful additional light on attitudes to casinos. There are some interesting contrasts in the responses from Chiang Mai and from Chiang Rai. While there is general agreement about the

economic benefits, there are contrasting responses on the remaining questions with Chiang Rai respondents showing a much more conservative response. Chiang Mai respondents are aware of the many issues and the possible risks, but are more open to the positive impacts of casinos. Responses are considered according to several different demographic groupings by age, gender, location, occupation, income and so on.

This study proposes that to fulfil the proposals of the Ninth Plan, a power of general competence and good governance be granted to local government to proceed with their own solutions, particularly those to do with carrying out the intentions of the Ninth Plan's economic and social development strategies. The Plan also lacks details in the idea of using participation while the decentralisation is not quite clear in terms of local and central government's roles.

Acknowledgments

My life has been a journey on many levels with sudden departures, unexpected changes and new understandings. What started as an idea and a dream in Thailand has been transformed into a reality at the department of Political Science and Public Policy at the University of Waikato, New Zealand.

On this journey, there have been many invaluable guides who have been a source of inspiration and personnel reassurance.

To *my father, Sanan*, and *my mother, Sriwan*, who offer my deepest inspiration. Thanks for your love, support, friendship and conviction in my destiny. *Sacha*, your love is my inspiration to complete this journey, I could not have done this without you.

Dr. Alan Simpson, I owe you so much in enabling me to fulfil my journey. It has been an honour to receive your guidance and support. Now I know what real quality is.

Dr. Patrick Barrett, thank you for your supportive comments and criticism in bringing out the best in this thesis.

Special thanks to *Paul Evans*, your love and stability during my times and emotional uncertainty help me focus to my goals which sometimes seemed so remote. You are the best friend I could ever dream for.

Gordon Wickham, I am so thankful for the security afforded by your fantastic job. It is not only financial assistance which I gained, but confidence, business practice and worldwide friends.

Finally, I would like to thank all the Chiang Mai and Chiang Rai opinion leaders who gave me their ideas and prospective on local needs. With your contribution and local participation, I hope our region will be able to develop strength and independence in the way we are calling for.

Siriluck

July 2005

Table of Contents

<i>Abstract</i>	ii
-----------------	----

<i>Acknowledgments</i>	iv
------------------------	----

Introduction

Chapter 1: Introduction

1.1 Introduction	1
1.2 Development Context	5
1.3 Thailand's Development Challenges	10
1.4 Thailand's Development Plan	14
1.5 A Casino Establishment	17
1.6 Public Acceptability and Viability towards a Casino	19
1.7 Local Government	20
1.8 Structure of Thesis	21

Part I Problem Solving and Development

Chapter 2: A Strategic Approach to of Problem Solving: The Ninth National Economic and Social Development plan

2.1 Introduction	24
2.2 The Ninth National Economic and Social Development Plan	27
2.3 Summary and Analysis of the Ninth Plan	36

Chapter 3: Local Government and Decentralisation

3.1 Introduction	40
3.2 Local Government	41
3.3 Decentralisation	45
3.4 Collaborative Problem-solving	58
3.5 Power of General Competence	62
3.6 Conclusion	66

Chapter 4: Local Administration

4.1 Thai Public Administration	70
4.2 Local Government	73
4.3 A Local Government Unit: Municipality	77
4.4 Municipality Administration	91
4.5 Problems of Local Government	96
4.6 Local Associations in Thailand	101
4.7 Casino Development	109

Part II A Project of Regional Financial Problem Solving: Casino Development

Chapter 5: Motivation of a Casino Establishment 111

5.1 Economic Issues	112
5.2 Social Issues	120
5.3 Politics and Public Policy Issues	129
5.4 Conclusion	135

Chapter 6: Casino proposal in Northern Thailand

6.1 Introduction	137
6.2 Possibility of a Casino in the Region	140
6.3 Study Group: Chiang Mai	142
6.4 Control Group: Chiang Rai	150
6.5 Gambling in Thailand	152
6.6 Conclusion	162

Part III Methodology

Chapter 7: Protocol for Case Study	164
7.1 The Case Study	166
7.2 Selected Regions	167
7.3 Methodology	168
7.4 Variables	172

Part IV Case Study

Chapter 8: Attitudes towards the Establishment of a Casino in Chiang Mai

8.1 Introduction	174
8.2 Background of Respondents	174
8.3 Attitudes towards Casino Development	178
8.4 Attitudes Analysis in Different Backgrounds	185
8.5 Summary	195

Chapter 9: Opportunities, Threats and Solutions of a Casino Development

9.1 Opportunities and Threats	201
9.2 Solution for a Casino Operating	207
9.3 Local Decision Making and Local Development	212
9.4 Feed Back Attitudes	218
9.5 Possibility of a Casino Establishment	219

Part V Conclusion

Chapter 10: Summary and Conclusion

10.1 National Development Planning	224
10.2 Casino Establishment in Pursuit of Development	227
10.3 Development in Chiang Mai	229
10.4 Meeting the Needs of Local Government :	
Power of General Competence	234
10.5 Alternative Strategies for Local Government	237
10.6 Recommendation for Future Study	243

Appendices

Appendix A: Maps and Country Profile	245
Appendix B: Content of the 1997 Constitution	250
Appendix C: Doi Suthep and Cable Car	255
Appendix D: Questionnaire	260
Appendix E: Responses to Questionnaire	269

Bibliography

314

List of Tables

Chapter 4

Table

4.1 Presentation of Local Revenue Proportion during 1991-2001 (Thai Baht)	98
--	----

Chapter 6

Table

6.1 Municipal Revenue 2000-2002	148
6.2 Municipal Expenditures 2000-2002	149
6.3 Survey Responses to Question of Legalising Gambling	157
6.4 Government Revenue from Lottery between year 1992-2000	160

Chapter 8

Table

8.1 Backgrounds of Respondents	175
8.2 Regional Variation of Respondents' Backgrounds	177
8.3 Attitudes to Economic Impacts	179
8.4 Attitudes to Social Impacts	182
8.5 Attitudes to Political and Public Policy Impacts	184
8.6 Support of a Casino in Terms of Impact	192
8.7 Support of Casino Development in Each Region	193

Chapter 9

Table

9.1 Attitudes to Opportunities and Threats	201
9.2 Regional Attitudes to Opportunities and Threats	202
9.3 Maximising the benefit of Casino Operation	208
9.4 Maximising the Benefits of Casino Operation by Region	209

Appendix E

Table

1	Variable Test on Economic Impact in the Different Regions	269
2	Variable Test on Social Impacts in the Different Regions	272
3	Variable Test on Political and Public Policy Impacts in the Different Regions	274
4	Variable Tests on Economic Impacts According to Different Age Groups	275
5	Variable Tests on Social Impacts According to Different Age Groups	278
6	Variable Tests on Political and Public Policy Impacts According to Different Age Groups	280
7	Variable Tests on Economic Impacts According to Gender	282
8	Variable Tests on Social Impact According to Gender	285
9	Variable Tests on Political and Public Policy Impact According to Gender	287
10	Variable Tests on Economic Impact According to Casino Experience	289
11	Variable Tests on Social Impacts According to Casino Experience	292
12	Variable Tests on Political and Public Policy Impact According to Casino Experience	294
13	Variable Tests on Economic Impact According to Political Involvement	296
14	Variable Tests on Social Impacts According to Political Involve	299
15	Variable Tests on Political and Public Policy Impact According to Political Involve	301
16	Variable Tests on Economic Impact According to Income	302
17	Variable Tests on Social Impacts According to Income	305
18	Variable Tests on Political and Public Policy Impact According to Income	307
19	Variable Tests on Support for Economic Impact	308
20	Variable Tests on Support for Social and Cultural Impact	311
21	Variable Tests on Support for Political and Public Policy	313

Chapter 1

Introduction

1. 1 Introduction

Economic development is about increasing gross levels of savings and investments (both internal and external) until the economy reaches a take-off point into self-sustaining development. Economic development also affects other dimensions of a society. Without economic development, a society faces serious difficulties in addressing many social, political, environmental and other problems. At its simplest, economic growth is a matter of applying appropriate levels of investment after taking into consideration the rate of population growth, the capital:output ratio and desired rate of growth. A combination of domestic savings, international investment and international aid provides the fuel to drive the process through 'stages of growth' which ultimately brings the benefits of modernisation to the entire population.¹

The above condition has applied to many countries in Asia, including Thailand, which has achieved an exceptional record of economic development over the last 30 years. The Asian financial and economic crisis which started in Thailand in mid 1997 and was soon felt across the region, came without strategies for early intervention to prevent the worst impacts. The crisis revealed the many weaknesses in the economics, policies and government of Thailand and of many other states in the region, leaving them trying to cope with the impact of the speed of capital movement in the global economy.

From the late 1980s many of these economies, particularly the four affected ASEAN members – Thailand, Malaysia, the Philippines and Indonesia – had been enjoying a boom in foreign capital inflows, mainly resulting from currency appreciation in Japan and the Newly Industrialized Countries (NICs), and the domestic financial liberalization in the early 1990s. In the case of Thailand, high profit margins in stocks, high interest rates and the relatively low risk for investment, due largely to a currency pegged to the US dollar, had attracted foreign capital into the country. It was one of a group of countries referred to as a Newly Industrialised Country (NIC) in Asia. During 1995-1997² Thailand's sound

¹ Rahman, M.A., *People's Self-Development*, The University Press Limited, London, 1993, pp.186-191.

² Office of the Prime Minister. *Income Upgrade*. Office of the Prime Minister . Bangkok (Draft Document), 1998, p.12.

economic position was internationally recognised. In addition, sustained public investment in economic and social infrastructure made a significant contribution to an overall rise in incomes, living conditions and quality of life as witnessed by the rapid expansion of the national economy at an average rate of 7.8 per cent per annum. The Kingdom's average per capita income reached 68,000 baht in 1995³, compared with only 2,100 baht in 1961. The drop in the number of people living in absolute poverty has surpassed all expectations, falling to only 13.7 per cent of the population in 1992, far outstripping the Seventh Plan's target⁴ of 20 per cent by the end of 1996. A reversal of this flow occurred when the currency was floated, with massive amounts of capital fleeing the country in the second half of 1997, culminating in the national economic crisis that soon spread to other economies in the region.⁵

However, the economic development was rapid and accompanied by huge social, economic and political changes. During mid 1997-1998, however serious economic difficulties affected many countries in Asia. The Thai currency suddenly collapsed and many businesses had to close. The problems had been apparent in 1996 and became serious in early 1997, when the baht came under heavy attack and the Bank of Thailand spent a large amount of the country's foreign reserves defending the currency. The three heavy attacks on the baht came in November-December 1996, in January-February 1997 and in May-June 1997. By mid 1997 Thailand had exhausted her foreign reserves⁶, leading to the floating of the baht on July 2, 1997, when the Asian regional financial crisis finally came to a head. The fast growing Asian economies had accumulated structural problems which left their institutions inadequately prepared to manage financial liberalization and provide effective preventive measures when the crisis appeared imminent. A lot of discussion of the East Asian crisis had focused on financial problems, but the financial problem was one major symptom of the wider and deep-rooted problems of the structures of economy, i.e., the problem of weak competitiveness and inefficiency as Krugman has pointed out. Along with much Asian economic growth, Thailand had built its growth on the higher use of inputs from resource mobilization rather than on technological progress and efficiency. This weakness needed to be addressed.⁷ Therefore, a new paradigm of

³ The exchange rate in 1997 was 25.30 baht per US\$, 48.90 baht in 1998 and 46.72 baht in September 2004.

⁴ The Seventh Plan has been in Thailand development process during 1992-1996.

⁵ Ammar Siamwalla. 1997. "Can developing democracy manage its macro economy? the case of Thailand," a lecture delivered at school of policy studies, Queen's University, Ontario, Canada.

⁶ Thailand's foreign reserves dropped from \$40 billion at the beginning of 1997 to \$33.5 billion at the end of June, on the eve of the float of the baht. However, the Bank of Thailand later admitted that it encountered the speculative runs by forward selling some US\$23 billion of the reserve.

⁷ Krugman, Paul. 1994. "The Myth of Asia's Miracle." *Foreign Affairs*, 73: 6 (Nov.-Dec., 1994): 62-78.

development was called for which saw growth based on efficiency instead of on utilizing inputs. Because this latter strategy would not be sustainable in the long-run, Thailand had to move beyond a focus on 'export-led' growth to a strategy of 'efficiency-led sustainable growth'. Building Thailand's long-run competitiveness and increasing efficiency would lead to the more sustainable growth of Thailand and the Asian region.

From 1997 the Thai government has been addressing the problem of economic development, seeking to ensure that sustainable economic and social development was set in place. The development model followed the earlier national development plans, further developing the thinking and strategies proposed in the Seventh National Plan (1992-1996), in the Eighth (1997-2001) and Ninth (2002-2006) National Development Plans. The Eighth and Ninth Plans are significant for the emphasis they placed on the economic and social conditions in the regions of Thailand. The Eighth Plan departed from the Seventh Plan in the way it identified the significant problems associated with the very large urban entity of Bangkok. Despite the impressive rate of economic growth, most of Thailand's economic activity and prosperity had remained concentrated in Bangkok and the immediate surrounding provinces. The average per capita income inside the Bangkok Metropolitan Region is still much higher than those outside. The Eighth and Ninth plans have been more concerned with directing attention to economic, social and infrastructure development in the regions. Thailand's future growth needed to come much more from the regions than from Bangkok and the surrounding provinces. For that to happen, regional economic growth would have to be fostered, with the social and political reforms necessary to ensure that economic growth is sustainable.

The Ninth National Economic and Social Development Plan (2002-2006) adopted the *philosophy of sufficiency economy* bestowed by His Majesty the King to his subjects as the guiding principle of national development and management. The philosophy of sufficiency economy, based on adherence to the middle path,⁸ is advocated to (a) overcome the current economic crisis that was brought about by unexpected change under conditions of rapid globalization, and (b) achieve sustainable development. Thus, the economic changes and the political development are proper contexts in which the Ninth Plan emerges.

⁸ The sufficiency economy philosophy implies moderation in all human endeavours. The emphasis stresses the middle path as the overriding principle for appropriate conduct and way of life by the populace at all levels. See more detail in Chapter 2.

The Ninth Plan proposes major structural and functional changes, especially in the culture of administration – away from the traditional *sakdina* system and its heavy reliance on key individuals with substantial powers to one where officials implement policies and legislation without fear or favour. For this to happen there needs to be legislation to empower local communities and municipalities over the traditional system. The Ninth Plan does not offer guidance about what legislation is needed and how existing legislation should be changed. This thesis discusses introducing the Power of General Competence as a specific proposal to fill this structural gap in the Ninth Plan. Even if there was legislation setting out the powers, responsibilities and roles of local municipalities, there would be much resistance to any real decentralisation of power from the people and agencies who have held this power for so long in the past.

As well as considering the wider proposals of the Ninth Plan, this study examines the response to the Ninth Plan in one region – Chiang Mai in Northern Thailand. Of particular interest are the practical limitations facing local government politicians and administrators in their endeavours to promote sustainable regional economic growth. Local government personnel and the wider community of Chiang Mai are wanting to embrace the intentions of the Eighth and Ninth Development Plans and to develop new options for economic growth. In attempting to implement their own planning for the future, they have found themselves facing constitutional and political limitations to development.

Developing a project such as a casino establishment in a region is one proposal which has the potential to enhance the financial capacity of a local government to invest in regional economic development. The idea of a casino has been adopted by many local authorities around the world as a means of generating economic activity and much-needed revenue. In Chiang Mai, a casino would encourage more tourism into the region and keep the local gamblers in the region, create employment, and generate revenue from the casino operation itself. This economic development option raises several questions: about its viability and whether it will deliver the outcomes sought; about its acceptability to the community; and over whether central government will support such initiatives. The first two questions are primarily local in their consideration and involve the elements of development and attitudes towards a casino establishment. The third question refers to central government and the local rules which relate to the local decision making authority and raises the issue of the powers of local communities to pursue their economic development plans.

1.2 Development Context

1.2.1 Political Developments

The crisis was more than economic and financial and followed widespread dissatisfaction with many aspects of government over many years, and led to calls for constitutional reform. At the height of the economic and financial crisis in 1997 Thailand adopted a new Constitution, a landmark in the country's political history, for a more participatory and inclusive society, laying the foundation for a more open democratic society and serving as the impetus for major reforms.

To understand how Thailand came to this point in its political evolution, it is useful to understand the political reform process that produced the new constitution which can be divided into two periods: 1973-1992, and 1992-1998.⁹

In the 1973-1992 periods, the groundwork was laid for the creation of the new constitution. In 1973, it was a new sort of political event in Thailand. Tens of thousands of university students converged on Democracy Monument in Bangkok to protest martial law and corruption under the Thanom Kittikachorn regime – the first occurrence in Thailand of a mass movement against the ruling elite to demand a change of leadership. Many students were killed in the military response to the protest, but they managed to force the creation of a new government and shortly thereafter a committee to draft a new permanent constitution was created. The event was hailed at the time as the beginning of mass politics in Thailand.

Over the next few years, however, dissatisfaction grew. It became evident that instead of being liberal, the new regime was actually controlled by the wealthy Bangkok-centred elite. Student protest began again, but this time the middle classes were less supportive having just witnessed neighbouring countries fall to communist regimes. On October 6, 1976, police and rightist gangs attacked student protesters in a brutal and bloody massacre. The military intervened to restore order and installed a new prime minister and cabinet under the 1973 constitution. The remaining student protesters fled to the mountains and jungles.

The military-controlled government drafted a new constitution in 1978 and set a timetable for a return to civilian rule, which marked the beginning of reconciliation with the student exiles. For most of the 1980s Thailand was governed under Prime Minister General Prem Tinsulanonda, until 1988 when Prime Minister Chatichai Choonhavan was elected.¹⁰

⁹ [Http://www.kpi.ac.th/en/kpi03-1-res-03.asp](http://www.kpi.ac.th/en/kpi03-1-res-03.asp). 22 June 2005.

¹⁰ *Ibid.*

The Chatichai government lasted for three years before conflict with armed forces leaders generals Suchinda and Sunthorn resulted in a military coup in 1991, which ended the elected government. A new constitution was installed. Coup leader Suchinda promised not to install himself as premier, but in 1992 he did, prompting the famous 'Black May' pro-democracy protests. In more bloody confrontations, the army moved against student and middle class protestors who had gathered in the Democracy Monument area. Eventually, the King called Suchinda for an audience and appealed for calm. Shortly thereafter parliament amended the constitution to require that only an elected MP could become prime minister, and to elect the speaker of the House of Representatives in place of the speaker of the military-dominated Senate as the chair of joint sessions of parliament. This marked the beginning of a concerted push for political reform.

From 1993 to 1998, the movement for political reform gained strength and the 1997 constitution took shape and was eventually promulgated. Reform-minded people obviously were concerned about the prevalence of military coups and military governments. There was a conscious effort to ensure that any new constitution would be aimed at creating a democratic state rather than perpetuating the power of its drafters, as past constitutions had been designed to do. Another important consideration was to prevent corruption because corruption in elected governments as well as the instability of coalitions resulting from fights over corruption had been used as a pretext for military coups. Thus the political reform movement, which drew support from academia, the middle classes, and from within parliament, wanted to foster democratic, clean, and efficient government.

There emerged three major proposals on how to go about pursuing political reform, all concerned with the constitution. The first significant proposal came in 1993. Under this proposal, the newly-elected parliament would go about amending the 1991 constitution. A parliamentary committee was established, headed by Chumpon Silpa-archa, to propose amendments. This committee produced 25 recommendations, but government/opposition politics derailed any movement for substantial change. In late 1994 some amendments were passed but these failed to meet the expectations of reform-minded advocates of political change. Observers lost hope of parliament being able to undertake significant reform by itself. It came to be widely believed that politicians elected under an old system would not make changes that would undermine their own power. The second major proposal was to have an independent body appointed by the King draft a new constitution and then to subject that draft to a national referendum. This proposal was articulated in 1994 by Dr.

Amorn Chantrasomboon in his book titled '*Constitutionalism: the Way Out for Thailand*'.¹¹ Amorn proposed the creation of an independent royal commission composed of no more than three former prime ministers and 15 law and political science experts. The body would have one year to prepare a draft constitution and accompanying legislation to implement the constitution. There would be consultation with parliament and the government of the time, and the draft would be put forward in a national referendum for the people of Thailand to accept or reject.

At about the same time, the third proposal was for a hunger strike by Chalart Vorachart, undertaken in opposition to General Suchinda's constitution which sparked fears that 'Black May' would be repeated. In an effort to calm unrest, the president of the national Assembly formed an extra-parliamentary body called the Democracy Development Committee (DDC) to consider reform. The DDC was headed by respected social advocate Dr. Prawase Wasi and included a range of politicians, bureaucrats, military personnel legal and political experts, and activists from both the right and the left. Its mandate was to examine the causes of the dysfunction in the Thai political system and conduct a comparative study of other political systems in order to propose remedies to Thailand's problems.¹²

In an innovative move, the DDC launched a series of public hearings and seminars nation wide in order to draw the public into the political reform process and to build public support for political reform. This also had the effect of broadening the reform constituency from the Bangkok-centred academic elite to include people outside Bangkok. Support from the media contributed to the success of this effort.

In April 1995, the DDC presented a report titled 'A Proposed Framework for Political Reform in Thailand' to the president of the National Assembly. The report echoed Amorn's recommendation for the formation of an independent royal commission to draft a new constitution. The constitution should provide for a rationalised parliamentary system that could guarantee people's participation in politics in order to avoid 'parliamentary dictatorship' as well as to ensure clean, efficient, and accountable government.

This combination of 'democratic conservatism' regarding powers of the state, and 'radicalism' regarding rights, freedoms, and public participation gained the support of intellectual elites, social activists, and some political elites, as well as the press.

The fall of the Chuan Leekpai government in 1995 over corruption and vote-buying scandals highlighted the need for political reform. Opposition leader Banharn Silpa-archa

¹¹ Chantharasombun, Amorn, *Khonsatitwchannalism (Constitutionalism) thang ok khong prathet thai* [Constitutionalism: Way out for Thailand], Bangkok: Institute of Public Policy Studies, 1994.

¹² *ibid.*

ran his election campaign with the promise to implement the DDC report if his Chart Thai Party formed the core of the new government. Chart Thai did come out ahead after the election, and Banharn created the 'Political Reform Committee', again led by Chumpon, to propose amendments to the then-current constitution that would allow for the creation of a body to draft a new constitution. Chumpon's committee proposed the creation of a constitution drafting committee with representatives of 63 professions. Through 1995 and into 1996, debate in parliament raged over the shape of a constitution-drafting body and it appeared that political reform might be derailed entirely.

Eventually, in the face of public pressure, the committee reviewing the constitutional amendment for its second reading in the joint sitting of the two houses rejected the proposed amendment and advocated what would be the third proposal - an independent Constitution Drafting Assembly (CDA) to draft the new constitution - which would then be submitted for parliamentary approval. This proposal proved to be acceptable to parliamentarians and reform advocates, and in May 1996 the Constitution Amendment Bill was passed providing for the formation of the CDA. The CDA proceeded to prepare a draft that was submitted to parliament in August 1997, received parliamentary endorsement, and was promulgated in October 1997, after which followed a period when organic laws were drafted as mandated by the new constitution which addresses in several ways of the key areas of participation, stability and efficiency, and transparency and accountability.¹³

The new Constitution was widely accepted across Thailand and, for the first time in Thai history, the Constitution established a judicial review process independent of executive branch control, enhancing the accountability of government and the protection of civil liberties. For the first time, the Constitution provided a legal basis for broader public participation and established mechanisms to promote accountability and transparency. It is also very specific about the rights, liberties, and welfare of the people - including gender and environmental protection.

The new Government formed in 1997 made significant progress in advancing the new constitutional agenda and restoring macroeconomic stability. Under the leadership of Democratic Party head Chuan Leekpai, governance reforms progressed with the establishment of independent watchdog institutions, including the National Counter-Corruption Commission, the National Election Commission, the State Audit Commission, the Administrative Court, and the Office of the Ombudsman. Furthering the constitutional

¹³ See **Content of the 1997 Constitution** in Appendix B

goal on access to education, an Education Act granted all citizens the right to 12 years of free education. The Government also helped restore macroeconomic stability and embarked on a comprehensive structural reform program focused on the financial, corporate, and social sectors.

In the 2001 elections, the first held under the provisions of the 1997 Constitution, the Thai Rak Thai Party, led by Thaksin Shinawatra, won a landslide victory. Thai Rak Thai won the election on pro-poor, pro-rural and pro-Thailand platform and formed a coalition government with 325 out of 500 seats in Parliament. The Government spent its first year in office putting into place its signature election programs, including more affordable healthcare, support for village funds to finance local projects, and a debt moratorium for farmers. The Government also moved on the governance and public sector reform agenda, with a major restructuring of central government ministries in October 2002. It is now placing more emphasis on some of the other difficult structural reforms.

1.2.2 Recent Economic Development

Thailand has made commendable progress since the crisis. Real GDP grew by an average of 3.6 percent a year during 1999-2001, and poverty was down to 13 percent in 2001, from a peak of 15.9 percent in 1999.¹⁴ Thailand has been highly effective in restoring macroeconomic stability, achieving low inflation and reducing external vulnerability.

Domestic consumption has been the main driver of growth. A significant fiscal stimulus program amounting to about 2 percent of GDP and rising consumer confidence have supported rural incomes and raised private consumption to over 58 percent of GDP in 2001.¹⁵ Private investment, after hitting a low of 11 percent of GDP in 1998, has risen gradually to reach 16 percent in 2002, but it remains below the average of about 20 percent for 1975-90. Further corporate and financial sector restructuring is still required and capacity use, though improving in several sectors, remains low. Public investment as a share of GDP has been falling since 1996-1997, as recurrent spending on social safety nets and financial restructuring increased.¹⁶

Thailand has reduced external vulnerability by preserving its export market share and lowering its external debt. In sharp contrast to 2000, export volumes and export and tourism receipts grew in 2001, and total export receipts in 2001 were more than 20 percent

¹⁴ *Thailand: Recent Economic Performance and the Road Ahead*, http://www.bot.or.th/BOTHomepage/General/PressReleasesAndSpeeches/Speeches/english_version_Governor&DeputyGovernor/BOTGvnspeech_BCCT.pdf, 29/06/05.

¹⁵ <http://siteresources.worldbank.org/INTTHAILAND/Resources/Thailand-CAS/Partnership-2003/context.pdf>, 01/07/05.

¹⁶ *Ibid.*

higher than in 1998.¹⁷ Thailand has also generated annual current account surpluses of around 6 percent of GDP to repay debt and accumulate foreign reserves. External debt net of reserves, having come down from 50 percent of GDP in 1998 to 30 percent in 2001, is expected to decline further to around 20 percent of GDP by end-2002, outperforming other countries in the region.¹⁸

However, public debt has increased, and the Government has initiated fiscal consolidation. The cumulative build up of public spending and fiscal deficits boosted total public debt, mainly domestic debt to 60 percent of GDP in 2002.¹⁹ Nearly two-thirds of the increase in spending stemmed from financial sector restructuring, with the rest from the costs of social safety nets, the deficits of non-financial state enterprises, and the fiscal stimulus package. As the Government's plans for fiscal consolidation are implemented, public debt is expected to stabilize but debt dynamics remain vulnerable to lower-than-expected growth, future fiscal policy and state-owned enterprises' performance.

Corporate indebtedness has fallen but still remains high relative to other countries in the region. Corporate profitability remains weak, and the result is a rise in new and re-entry non-performing loans at an annual rate of around 8 per cent in 2002.²⁰ Large banks are able to generate profits and fully provision, but others continue to be under-provisioned and under-capitalized.

Although there is a cyclical component in this recovery, structural factors also account for this turnaround in productivity growth. Recent improvements in regulatory institutions and in the business environment have contributed to it; this is evident from the fact that Thailand's global ranking on competitiveness rose in 2001 relative to 2000²¹ and also from firm-level information, which suggests that the recovery is led by the more efficient outward-oriented manufacturing sector.

1.3 Thailand's Development Challenges

While so much has been accomplished in the above area, the challenge is still formidable. As a Thai citizen who has served in the academic, public, private, and civil society sectors, the writer actively shared ideas and experiences with family, friends and colleagues, and has been heartened to observe that, while there were many points of divergence both at the philosophical and practical levels, some fundamentals have been

¹⁷ *Ibid.*

¹⁸ *Ibid.*

¹⁹ *Ibid.*

²⁰ *Ibid.*

²¹ *Ibid.*

unequivocally established, at least among the diverse groups engaged in the drafting process of some development plans. Some of these ongoing processes illustrate the urgency of strengthening local institutional and human resource capacity to address local issues in the face of a growing gap in carrying capacity and related short-falls in service delivery. Under these conditions, local government administration is faced by ever increasing responsibilities, greater demands for urban services from their population and decreasing transfer of monies from the central government relative to the growing demand for services. To take control of their own development and direction of growth, municipalities must undertake their own serious planning, strategizing and management in an efficient and effective manner. There is now a demand that devolution of political and administrative powers from the central to local government administrations must be coupled with the creation of an enabling environment for them to adequately exercise their devolved powers.

The national government under the constitution is undertaking bureaucratic reforms and other initiatives aimed at supporting local government administrations to better cope with the situations they are being faced with. To assist these efforts, the Development Plans have been working with local authorities to help bridge the gap in institutional carrying capacity by adapting a model to strengthen local approaches to strategy formulation and management that helps local authorities take better control of their future and work towards more effective management of their natural resources and environment. This paper offers an example of one approach in the Thai context in seeking to understand the policies and strategies local government needs to develop and implement a local government strategy. Local government policies and strategies need to take into account two key challenges. The first is to negotiate between localisation and globalisation and ensure that local communities have viable options and the capacity to exercise them in this increasingly modern world. The communities themselves clearly wish to participate in and benefit from the economic opportunities that globalization can offer. However, they do not wish to lose their own culture and priorities in the process. The second important challenge is that of decentralization. This dramatic shift in political power in Thailand, hastened by and largely on course since the 1997 Constitution, represents another critical opportunity and challenge for community empowerment. If carried out effectively, it will move the locus of decision-making as well as accountability closer to the communities wherever possible, thus balancing the often impersonal forces of globalization. However, such a change needs careful management and capacity enabling/building at the local level, if it is not to fall short of expectations and risk consequent reversal.

The Ninth Plan is a strategic plan that serves as a framework for medium term national development, consistent with the long term vision. It builds on the Eighth Plan that advocated a holistic people-centred development approach. In the Ninth Plan, major emphasis is placed on balanced development of human, social, economic, and environmental resources. A priority goal is the pursuit of good governance at all levels of Thai society in order to achieve real sustainable people-centred development.

Thailand's development vision for the next 20 years focuses on the alleviation of poverty and the upgrading of the quality of life for the Thai people, so that "sustainable development and well-being for all can be achieved".²² The sufficiency economy philosophy will be followed as a shared value of the Thai people, guiding the transformation to a new national management system based on efficiency, quality of life, and sustainability objectives.

Achievement of this vision of Thai society is best realised by focusing on people in communities building strong foundations for social and community development and incorporating good management systems at all levels. Thai national cultural identity, which stresses open mindedness, will contribute to the establishment of peace in the Region. Realization of economic potential will result in Thailand becoming a regional economic centre, particularly in primary agriculture, food processing, tourism, and education and technology. At the same time, by building on Thailand's advantages in terms of geographic position, and existing infrastructure strengths, economic gateways will be developed that enhance linkages with neighbouring countries and the region, strengthening Thailand's international competitive position.

This is clearly the intention of the Thai Government. However, this thesis is not seeking to analyse or comment on the many economic aspects discussed, including the sections on Natural Resource and Environmental Management (Chapter 5 of the Ninth Plan), Macroeconomic Management (Chapter 6 of the Ninth Plan), Competitiveness and Capability Enhancement (Chapter 7 of the Plan), or Science and Technology (Chapter 8 of the Plan). Of particular interest to this thesis are the Chapters on Development Vision and Strategies (Chapter 1), Good Governance Strategies (Chapter 2), some of the Development of Human Potential and Social Protection strategies (Chapter 3), and the Restructuring Strategies (Chapter 4). Some of this is covered in Chapter 2 of this thesis.

²² Office of the National Economic and Social Development Board, *The Ninth National Economic and Social Development Plan*, <http://www.nesdb.go.th>, 20/08/03.

Working on these issue areas, this thesis focuses on the major questions arising from the Ninth Plan, in particular, (a) the proposals concerning decentralization, (b) the proposals concerning empowerment and participation, (c) the proposals concerning good governance, and (d) the proposals concerning the area-function-participation (AFP). These issues are linked closely with each other.

The Ninth Plan proposes major structural and functional changes. It proposes major change in the culture of administration – away from the traditional *Sakdina* system which relies heavily on key individuals with quite substantial powers to one where officials implement policies and legislation without fear or favour.

The Ninth Plan implies that there should be major legislative change but does not offer any guidance about what legislation should be changed and how it should be changed. This thesis discusses introducing the Power of General Competence as a specific proposal to fill this structural gap in the Ninth Plan.

As well as considering the wider proposals of the Ninth Plan, this study examines the response to the Ninth Plan in one region – Chiang Mai in Northern Thailand. Of particular interest are the practical limitations facing local government politicians and administrators in their endeavours to promote sustainable regional economic growth. There is clear evidence of willingness on the part of local government personnel, as well as among the wider community to embrace the intentions of the Eighth and Ninth Development Plans and to consider new options for economic growth. In attempting to implement their own planning for the future, they have found themselves confronted by the constitutional limitations to development.

What the Development Plans have not addressed to any extent is the power of general competence of local government to proceed with their own solutions, particularly those to do with raising capital and fostering a range of economic activities.

Developing a project such as a casino establishment in a region is one local solution with the potential to enhance the financial capacity of local government to invest in regional economic development. The idea of a casino is not new and has been adopted by many local authorities around the world as a means of generating economic activity and needed revenue. This economic development option raises several questions. These include questions of viability and whether it will deliver the outcomes sought; questions around acceptability to the community; and questions over whether central government will support such initiatives. The first two questions are primarily local in their consideration. They involve the elements of development and attitudes towards a casino establishment.

The third question refers to central government and the local rules which relate to the local decision making authority and raises the issue of power of general competence.

There are, therefore, two separate and contrasting themes to this thesis. One is about the way decision makers in a community see their particular circumstances and develop proposals to provide for economic development. How the opinion leaders deal with a proposal which is the subject of some contention and disagreement for many varied reasons and solves its own problem is one major feature of this study. Another key element for such a development in the community is the attitude of the community itself. These are largely internal to the community. The second, contrasting theme of this thesis is the external dimension whereby a community's efforts to proceed with developments require the support and approval of central government.

This thesis outlines and examines the interrelationship of these internal and external elements, to understand how the central development planners' proposals may be implemented by the willingness to grant local authorities a wider power of general competence.

1.4 Thailand's Development Plan

Thailand is a unitary state with a highly centralised political system. Over the past decades there have been various measures proposed to decentralize authority and allocate greater responsibility to local governments. The record of decentralization can be traced back to the revolution and the transformation of the country from an absolute monarchy to a democratic system. Thailand has generally recognised that the role of local government must be strengthened to enhance public service provision and democracy in the country. There have been many attempts by local decision makers to increase local government capacity in many aspects, but they lack clear direction and resources to facilitate the intentions.

The major task to support the role of the local government is to strengthen their local fiscal system. This issue is not unique to Thailand. The prescriptive nature of the powers is currently accorded to many local governments. Indeed, the constitutional arrangements of many other countries often give local authorities broader powers. In many European countries, local governments play significant roles within the overall structure of government. In France, Germany and the Scandinavian countries this can involve relieving

local authorities from certain regulations and enhancing autonomy.²³ The objective has been to encourage more innovative and effective local decision making. In England and Scotland, local government issues have been the subject of intense government scrutiny, including agreement in principle that a power of general competence is appropriate. The situation of New Zealand is quite similar to that of the local government structure in Thailand with an absence of clarity of local government roles raising questions about the limits a power of decision making should take.²⁴ For some time now local government in New Zealand has been calling for central government to grant it a power of general competence. The concern has been to empower local government to take on a more significant role in the governance of New Zealand in partnership with central government.

In Thailand, the issue of a power of general competence for local government has not been considered yet. However, the most recent development plans have focused on the decentralization process which has transformed the face of the nation in many aspects. The plans have proposed extensive restructuring of Thailand's democratic system and reforms to the country's public administration and public services delivery system, as part of the strategies to support the regional development system.

Unlike earlier development plans which proposed greater central government initiative, the new emphasis evident from the Eighth National Development Plan (1997-2001) is for development at the local level, including local control of resources, public participation, ownership of small scale business and local management of resources. Concurrently, financial development has concentrated on local savings and resources and a diversified self reliant economy.²⁵

Then, the latest plan, The Ninth National Development Plan (2002-2006) focuses on three inter-related development approaches. These are: firstly, the enhancement of the role of the grass roots level in the policy process, with a focus on human, community and societal development. The second emphasizes economic readjustment to suit the current world situation and the demand of the new economy. The third emphasizes improving the governance for management system in every part of the society through prioritizing the strategies and development guidelines associated with poverty alleviation and enhancing greater efficiency of the management system gained from brainstorming with every group

²³ Grant Hewison, *A Power of General Competence - Should be granted to Local Government*, New Zealand Local Government Monograph Series 001/01, August 2001, pp.32-36.

²⁴ *ibid.*

²⁵ National Economic and Social Development Board, *The Eight National Development Plan (1997-2001)*, Bangkok, Office of the Prime Minister, 1995, pp.3-7.

in society. In so doing, the existing capital will be fully utilized in line with the limited resources.²⁶

To fulfill those development approaches, some strategies in the plan are useful and practical such as:

- the implementation should emphasize participation of the people from all walks of life and efficient resource utilization in the frame of participatory approach.
- this guideline will create the stability and security for the economic system under liberalized trade, finance and investment. In addition, it will help promote the production sector in the particular fields having the competitiveness and benefits for the business at all levels, and focus on the distribution and upgrading of income and quality of the life of people in the country;
- capital mobility should be made from every sector of society to contribute to the restructuring of the production sector and the improvement of infrastructure;
- a key strategy particularly emphasises the transparency and public participation. This approach will help prevent the corruption and determine the direction of development for the poor and the underprivileged. However, a good governance approach and public participation will make collaborative efforts for changes. The changes include focusing on management of change so as to create leadership at all levels and mobilize the social capital in every aspect. Also, the public administration and budget system should be met with the need of the local community. At the same time, the central agency should play more roles in integrating work plan, financial plan and human resources management together as well as determining coordinating mechanism at all levels: sectoral, area and community levels.²⁷

The Plan further specifies that in local administrative bodies, all government agencies should function together. They should no longer work separately so that the local mechanism to serve the real needs of the people is strengthened.²⁸ Therefore the development process will also be shifted from a compartmentalised to a more holistic approach from the beginning, seeking to contribute to the whole system rather than trying

²⁶ *ibid.*

²⁷ www.usescap.org/tctd/gt/files/thailand2001.pdf

²⁸ *ibid.*

later to integrate separate sectors, in order that the majority of the local people can realise genuine benefit from this development plan.²⁹

To attain the objectives of the development plan at the local level, first, the establishment of good governance and a strong relationship between the local government and local people, through the collaborative and participatory efforts of all parties in the society is needed. Second, there is a need to reform the development administration for effective translation of the plan into action. This requirement is based on an area approach including the integration of functions and public participation. Improvements in the efficiency of local government institutions at the local level, particularly in budget and personnel management, is required together with the development of indicators suitable for the monitoring and evaluation of holistic development.³⁰

The holistic focus of the development process in the development plan raises two main issues for this thesis: First is the local government tendency to attribute the lack of financial resources available to local institutions when there is a problem that impedes local development. This thesis examines the proposal for a casino establishment as an option to development and examines the acceptability and viability of local decision makers' attitudes which related to local development as a strategic choice. Second, the institutional environment and the structured allocation of the power central and local government will be considered. Attention will be given to considering the potential for a power of general competence to be grant to the local government. This issue has implemented for process of decision making and the possibility of the casino option.

1.5 A Casino Establishment

One of the proposals of the Ninth National Development Plan is the devolution of autonomy to local governments, with implication for both the central and local levels. At the central level, in compliance with the law, central agencies must transfer functional responsibility from central agencies, trim down central budgeting and, most importantly transfer central employees to local governments. Financially, local government must cope with its original functions as well as with newly transferred functions from central agencies. The central government aware of the burden placed on local government by decentralization, has been bound by law to transfer enough revenue sources to support the expected increase in local expenditure.

²⁹ National Economic and Social Development Board, *op cit.*, p. 1.

³⁰ *ibid.*

The financial situation of the local government in Thailand is a result of central government ability to control local government administration. Local government is a relatively small compound of public sector expenditure with less than 5 percent in terms of expenditure.³¹ Their main source of income is the revenue from local taxes, revenue from taxes shared with the central government, income from property, fines, fees and permits, contributions from the central government, and domestic borrowings. Foreign borrowing by local government is legally possible but must be organised on their behalf by the Minister of Interior.

In practice, no such borrowing has ever taken place.³² The obvious impact that both the plan and the decentralization process have had upon local financial conditions is that the local revenue base has broadened from that of the existing revenue sources and introduced an opportunity for local government to mobilise new revenue sources as well.

Within this context of constrained revenue stream, casino has been considered as an option for a new source of income. The casino idea has become very important to local government in Thailand. Casinos have potential to bring in revenues through legislation fees, taxation and some related profits. Casino is a new source of local income which becomes the local government's budget to serve the region without change the allocation from that of the central government. Local governments will have their own authority to manage their financial situation. Local democracy will be enhanced. Decentralisation will lead to greater local government decision autonomy and less on the guidelines and plans of central government. Thus, people in the region will see the authority of local government more clearly and be more willing participants in the political activities indicated by local needs.

However, the casino proposal is concerned with the potential negative impact of gambling on community and the allocation of decision making power between central and local government. Therefore, the case study of this thesis is based on proposals to introduce a casino to a local area in Thailand. There has never been a legal casino in the country.

³¹ Warr, P.G., *Thailand's Macroeconomic Miracle: Stable Adjustment and Sustained Growth*, The World Bank, Washington D.C., 1996, p.69.

³² To manage both funds there is a committee whose members are composed of both representatives from local government and the Ministry of Interior to act as a scrutinizing committee to consider or withdraw a proposal from a local government and whether it is under the rules and regulations that have been indicated. The committee has set conditions for withdrawals from the trust fund as follows: 1) the local governments can borrow from the funds in case of emergency to finance unanticipated spending such as natural disasters or the estimated budget cannot cover personal expenditure. 2) If the first three months of the local fiscal year, the local revenue generated is not enough to cover the spending, the local government can borrow from the trust fund to spend on salaries and wages, remuneration services and materials, and utilities expended.

Sakon Varanyuwatana, *Local Government Finance and Bond Market Financing in Thailand*, Thammasat University, Bangkok, 2001, pp. 31-32.

Perceptions and attitudes towards casino development are shaped by experiences of casinos in many countries as well as by a lack of such experience and also from what they have seen, read and heard from elsewhere.

1.6 Public Acceptability and Viability towards a Casino

There have been earlier attempts to introduce a casino, as in 1972 when private sources submitted a proposal to establish a casino in a big hotel in Bangkok to attract tourists and establish Bangkok as the centre of the tourist industry of Asia. At that time, this was criticised by decision-makers, although there was a variety of opinion on this issue. There was no response from the central government. The following year, some members of parliament asked to review proposals for the casino establishment but the government preferred to offer other advantages such as promoting tourist places and raising taxes on cigarettes and liquors. The casino issue was ignored again at that time. In 1978 a group of members of parliament presented the proposal to establish casinos again. This time, they proposed the location of the casinos in local areas such as Pattaya and Phuket.³³ Again, the government did not adopt the proposal.

In 1979 a new private sector source sought approval from the local government to operate a casino somewhere near the Burmese border. Because the casino proposal had been presented quite a few times, business, academic, political groups and many people in Thailand were interested. The investors as expected, emphasised potential benefits from having a casino in Thailand, but opponents were more effective in drawing attention to the disadvantages and the casino proposal failed again.³⁴ After that time, hearings were held on the casino establishment proposal but there was no response from the government.

In 1999 a new political party³⁵ tried to present new ideas for solving the serious economic problems facing Thailand since the 1990s. Some members of parliament tried yet again to review the casino establishment proposal. Again, the rationale given for introducing a casino was to help solve the main economic problems and promote the tourist industry in the country. However, the situation was not as different as on previous occasions, with still many contrasting attitudes evident, each with their support groups.

It remains to be seen whether attitudes have changed over time. People are more likely to accept the economic benefits of a casino. Also, a casino seems important to solve regional economy and political problems in the view of decision makers, further, in some region, the decision makers are willing to try as it is the first step to absolute local

³³ Both of them are well-known tourist beaches in Thailand.

³⁴ Boonsuwan, Kanin, 'Casino, whose benefit?' *Siamrat Weekly Mail*, May 1990, p.6.

³⁵ 'Thai Ruk Thai' was established in 2001 and has been the main party in the government since then.

autonomy. It is understandable that attitudes towards gambling issues have become acceptable to the public, particularly, in the case of casinos. Due to many views, a casino proposal has been requested by some local governments in some region of Thailand. However, there is continuing opposition to such proposal on ground of negative social consequences of gambling.

In the meantime, casinos cannot be placed in any region unless the central government decides to legislate. It is quite clear that local government does not have the authority to approve the establishment of a casino. To a significant degree, this contrasts with the Eighth and Ninth National Development Plan which aims to foster strong local development and participation. Both targets are promoted as a means of limiting the concentration of power in central government, increasing citizen participation and as mechanisms for expressing regional views and opinions. Also, it is about regional economic growth. Realistically, it is still questioned whether local governments can make decisions to solve local problems by legislating for some local development, such as a casino proposal.

1.7 Local Government

In recent years, decentralisation of local government has been widely discussed as one of the major policies of the Thai state in organising the public sector. The modern era has seen change to the rules of government at both the local level and the national level. Local government is consistent with the concept of decentralisation in that it allows local sources to act on assigned responsibilities, free to some extent of national directional control. Policy frameworks and options are provided by the national government, but the process of formulation and implementation are the responsibility of local councils. The advantage of local government is that no one sees the local problems and demands better than the local people themselves. Hence, the concept of local government is consistent with that of decentralisation which allows local government to act on assigned responsibilities free of national control and to provide a range of activities. Local government has a degree of freedom or semi-autonomy to carry out its responsibilities. It is clear that the idea of local government is to promote local autonomy in self-government and participation in administration.³⁶

³⁶Chayabutra, C., *Local Government in Thailand*. Local Affair Press of Local Administration, Bangkok, 1997, pp. 6-7

The past development of local government in Thailand has shown the significant role played by the Ministry of the Interior as the mechanism of central government and the means of bringing the government policies to practice. The Ministry was also involved in policy formulation and coordinated in terms of financial management and personnel administration.

In the light of these and the emphasis of development, it appears opportune to examine what a power of general competence might mean for local government. The practical plan is that local government should be granted less prescriptive, more flexible and empowering legislation, including a power of general competence.

Meanwhile, the context within which discourse is taking place between central and local government is itself undergoing change, affecting perceptions about the role and function of both spheres of government. In the face of increasing challenges, such as globalisation, central government in Thailand has relied on many of its traditional roles, especially in the areas of decision making, ownership and regulation. The resulting changes have led either to increased devolution for local government or to the creation of new policy spaces which have become areas of interest for local government. The changes have also added new dimensions to the issues that arise at the interface between the different jurisdictions held by local and central government. Local government, by fulfilling its community desire for voice and autonomy, and indeed, through its own growth in competency, has found itself in constructive tension with central government about what role the central government should play in governance at local level.

1.8 Structure of Thesis

In considering the circumstance of the latest National Development Plan which focuses on regional development, this thesis will examine three key elements: its viability (whether it will deliver the outcomes sought), its acceptability (whether the community will accept it), and support for the establishment of a casino (whether the central government will support such development). The thesis is divided into five parts. Part one, Statement of Issue, addresses the case of casino development in Thailand. This part outlines the current picture of local government in Thailand and the history of the casino project which has not yet to be approved by central or local government.

A framework of approaches to development is presented in Part Two. A strategic approach to development is raised in Chapter 2. This includes the summary of the Ninth National Economic and Social Development Plan of Thailand. The Chapter includes strategies and practical ways of the Ninth Plan as development processes. Chapter 3 reviews decentralisation and local government as a framework for decision making. This

Chapter also reviews problems at local level in terms of the extent of autonomy, collaborative problem solving, the power of general competence, participation and the local government system.

Chapter 4 sets out the constitutional arrangement for local administration in Thailand. This chapter presents details of two local government units; the municipalities in Chiang Mai and Chiang Rai, which are the case study area. The chapter also points out the role, responsibility, relationship between the institutions, and problems in the regions. In the final part of this chapter, the good government of the Ninth Plan outlined previously are used to consider for the problem solution of the local government.

Part Two focuses on the local development in Northern Thailand and a casino proposal. Chapter 5 reviews the motivation for a casino establishment which includes the experience and impact of casinos in countries where they have been operated. It reviews the literature setting out the impact of casinos in terms of economic, social and cultural, political and public policy issues. Both positive and negative impacts are mentioned.

Case studies are introduced in Chapter 6. Chiang Mai has been actively considering a casino, while Chiang Rai has not and has been included as the control group. Also, the history and situation of gambling in Thailand is reviewed which will be used to evaluate the possibility of a casino in Northern Thailand.

Part Three explains the methodology adopted in this thesis which is a qualitative assessment across three dimensions: economic; social and political and public policy dimensions. The hypotheses to be tested are also set out in Chapter 7.

After reviewing the institutions, democracy, related development processes and some examples of local government, the thesis will test the idea of local decision makers to find whether they accept and support the casino option in terms of local development. Also, it is essential to consider the viability of a casino in some areas in Northern Thailand. To evaluate the acceptability and viability of a casino establishment in a region, an attitude survey was conducted among groups of opinion leaders. Part Four presents the case study of casino development in Thailand, specifically in the North. Details of attitudes towards a casino establishment are reported in Chapter 8, opportunities, threats and solutions of having a casino establishment in Chapter 9.

Part Five is concerned with the conclusion and recommendations which are in Chapter 10. The conclusions of this thesis are based on The Ninth National Development

Plan and information obtained from the questionnaire and semi-structured interviews conducted with local government officers and members of local associations. Discussions and recommendations regarding the problem of implementing a policy for casino development, the implications of the process and what needs to be done, have a basis on the theory of the collaborative problem solving, the idea of democracy, participation and autonomy and the scope of responsibility of local government in Thailand.

Chapter 2

A Strategic Approach to Development: The Ninth National Economic and Social Development Plan

2.1 Introduction

Problems of social, economic and political organisation are to be found at all levels: the multinational and international, the national, the communal, the tribal, the family, the one-to-one. Scholars have long understood that problems which remain unsolved can lead to conflict between competing parties. Attempts to resolve conflicts between parties often involve attempts to provide assistance through a third party who: 1) does not have a particular interest in the issues leading to the conflict; 2) are professional; and 3) operate in a non-coercive way. In these instances, the third party may be actively involved not so much in making particular suggestions or recommendations but in injecting into the discussion knowledge and information about problems and human behaviour generally and keeping discussion in an analytical structure.¹

Solving social, political and economic problems involves developing outcomes which are mutually acceptable to the parties, rather than parties finding that a solution has been imposed on them by another party. When a relation with others are valued and there is perceived common ground which emerges, then solutions are more sustainable over time. Yet many social problems display a picture-frame progression of events. First efforts at resolution are often seen as having failed, because at least one of the parties thinks the outcome is not favourable to them. Parties often then turn to contentious behaviour, and the controversy escalates for a while, until a stalemate is reached and a solution is reasserted by all parties.

Burton states that solving social, political and economic problems is concerned with more than just finding a solution. Solving such problems can be strategy, a technique and a way of presenting options for implementation. At its best, problem-solving involves a joint effort to find a mutually acceptable solution, whether it is about changing social

¹ Mitchell, C.R. and Banks, Michael, (Eds.), *The Handbook of Conflict Resolution: The Analytical Problem Solving Approach*, London, Pinter, 1996, p.5.

conditions resulting in changes to the authority of traditional leadership, or making a strategic choice about the development of a nation.

This process draws attention to one of the dilemmas of decision making, between the need for satisfaction and the need for suppression of conflict. Burton argues that only by discovering human aspirations which can be satisfied within the context of society, can problems in society be treated.² Therefore, the general concern in seeking to solve problems is the elimination of deep-rooted issues in a problem. Burton argues that when problems are deep-rooted, containment is not possible and deterrence only exacerbates the situation, it does not contain it. He identifies the problem in the false assumptions or understandings of human behaviour.³

In the case of a nation, such as Thailand, the problems of social, economic and political development are very great, varied, and affect all groups within Thailand. In an effort to address these problems the Thai Government has relied on National Economic and Development Plans to develop strategies and proposals for the future development of Thailand. The strategies and processes within the plans are designed to lead to balanced development with quality and sustainability. The strategies comprise the strengthening of economic and social fundamentals, to proceed with the development process towards quality in all aspects, especially development of knowledge, wisdom, and intelligence regarding global changes, and the establishment of good governance at all levels in order to enhance national competitiveness.⁴

The latest national economic and social development plan of Thailand has paid much attention to participation of grass-root level, unlike earlier national plans. The Ninth Plan has been formulated on the basis of a shared vision of people in society over the next 20 years reflecting the views from all social sectors at provincial, sub-regional, regional and national levels that realise the problems in their areas. In the brainstorming process to develop a desirable vision for Thai society, the participants talked about regional development and took into consideration past development performance and the rapid changes affecting them. The solutions and proposals were generated by popular participation in order to solve problems and to identify new opportunities of economic and social development.

²Burton, J.W., *Conflict Resolution and Prevention*, New York, St. Martin Press, 1990, p.6.

³ *Ibid.*, pp.12-16.

⁴ Office of the National Economic and Social Development Board, *The Ninth National Economic and Social Development Plan*, <http://www.nesdb.go.th>, 20/08/03.

Of the many techniques for development outlined in the plan, this thesis focuses on the importance given to public participation in decision making in the Ninth Plan. According to scholars, participation is a most important process of development.⁵ As the forward to the Ninth Plan notes, participation was used in the Thai national economic and social development planning process as the parties, often through their representatives, talked freely to each another. They exchanged information about their interests and priorities, worked together to identify the true issues dividing them, brainstormed in search of alternatives that would bridge their opposing interests, and collectively evaluated these alternatives from the viewpoint of their mutual welfare.

The Ninth National Economic and Social Development Plan (2002-2006) is prepared on the basis of a broad people-participation process involving participants from all segments of the Thai society who cooperate in brainstorming, defining the collective vision of Thai society and preparing details of the Plan.⁶

Seeking solutions to the complex social, economic and political problems confronting Thailand is concerned more the strategic ideas and implementation of proposals than with reaching particular outcomes. To understand how this was approached most recently in Thailand, this chapter outlines and assesses the Ninth National Economic and Social Development Plan of Thailand as a strategy for solving Thailand's complex social, economic and political problems, as well as proposals to implement a range of measures. The purpose of the Ninth Plan was to develop

...a strategic plan for the development direction in the next five years, based on the collective vision of the Thai society in the next twenty years, which takes into consideration the previous economic crisis, current changes and future global trend in order to design strategies and development direction which will lead to balance development with quality and sustainability. The Plan's strategies comprise of the strengthening of economic and social fundamentals, in order to lift up the ability of life of the majority of people to achieve well-beings, rational sufficiency and immunity to adverse changes, in concurrent with the development of human to possess knowledge, wisdom, and intelligence regarding global changes, and the establishment of good governance at all levels in order to enhance national competitiveness. A successful implementation of the Ninth National Economic and social Development Plan needs a continuous force of collaboration from all segments of Thai society to manage change which will translate the Plan into effective implementation.⁷

The Plan places particular emphasis on collaborative efforts in development. The general idea of collaborative problem solving method is considered later in Chapter 3. The Chapter closes with summary of the Plan's vision and relates this to the development process.

⁵ Burton, *ibid.*

⁶ *Ibid.*

⁷ *Ibid.*

2.2 The Ninth National Economic and Social Development Plan

Over four decades of Thai national development, since the announcement of the First National Economic Development Plan in 1961, all parties in Thai society have had to adjust continuously to changing socio-economic situations both at home and abroad. Development efforts have met with mixed results, in terms of achieving plan targets.

The globalization process has brought about rapid changes in world economic, social and political conditions. The global economy has become more complex, interconnected, and uncertain. In this increasingly dynamic and complex world, the blueprint style of planning, based on linear forecasting, has become out-dated. In response to these changing world conditions, beginning with the formulation of the Eighth Plan, Thailand initiated a new approach to national development. People from every region of the country were given the opportunity to participate in the drafting of the plan from its inception. This represents a deliberate shift in the development paradigm from a sector-based one to an holistic approach, in which people are at the center of development.

As with the Eighth Plan, the preparation of the Ninth Plan has continued to emphasize the collaborative efforts of the people, and has expanded participation to cover even wider segments of Thai population. Brainstorming workshops were held at the provincial, sub-regional, and national levels, with representation from every province and sub-region of the country which is different from the former plans since the first one.

The review of national development from the First Plan to the Seventh Plan (1961-1996) found that national development during the First and Second Plan periods emphasized the acceleration of economic growth through the diversification of investment in infrastructure projects. Despite achieving an impressive record of annual economic growth, income distribution and the quality of life of the people in the rural areas deteriorated. Hence, the Third Plan began to focus more attention on social development, the reduction of the population growth rate, and income distribution, in addition to the traditional focus on economic growth.

During the Fourth Plan period, political uncertainty and an energy crisis ensued, bringing about a severe imbalance in the trade and current account deficits. In light of these circumstances, the Fifth and Sixth Plans emphasized economic stability, economic structural adjustment, as well as poverty eradication. A worldwide economic recovery, however, brought about rapid expansion of the economy, causing it to overheat and exceed the absorptive capacity of economic fundamentals. The Seventh Plan subsequently began the shift to a sustainable development paradigm. This paradigm emphasizes maintaining a

sustainable level of economic growth, and stability, improving income distribution, developing human resources, and enhancing the quality of life and the environment.⁸

Thailand has achieved an impressive record of economic growth over the past seven Plan periods to average seven per cent per annum since 1961.⁹ The Kingdom's average per capita income at current market price increased from 2,100 Baht in 1961 to 7,700 Baht in 1996, which repositioned Thailand from being a poor country to one which had joined the ranks of developing countries. For these same years, the number of people living in absolute poverty dropped substantially from 57 per cent to 11.4 per cent of the population. Employment was achieved, and the majority of Thai people enjoyed wider access to basic economic and social services.¹⁰

Nevertheless, the country's impressive rate of economic growth has been based on unbalanced development, evident in a widening income gap and an unequal distribution of development benefits between rural and urban areas as well as among various social groups. Rapid economic growth has also lowered aspects of the quality of life of people and brought about many other social problems such as drug addiction, and public safety issues. At the same time, natural resource depletion, a result of commercial exploitation, has led to social conflicts and the serious deterioration of environmental conditions. The foregoing suggests that past development, despite achieving high levels of economic growth, has not been sufficiently balanced. Many social problems remain and the development is unsustainable.¹¹

The Eighth National Economic and Social Development Plan was implemented during the period 1996-2000. It revised the development concept, shifting from a growth orientation to people-centered development. The well-being of the people was considered to be the final measure of success with economic improvement a means to improve the people's well-being rather than the final objective of development. The planning process was also shifted from a compartmentalized to a more holistic approach, enabling all stakeholders in the society to participate in the national development planning process.

⁸ [Http://www.thailandoutlook.com/main_sector/government/govern_he1_7.asp](http://www.thailandoutlook.com/main_sector/government/govern_he1_7.asp).

⁹ Office of the National Economic and Social Development Board, *The Development Report 1961-1996*, Bangkok, Office of the Prime Minister, pp.15-22.

¹⁰ *Ibid.*

¹¹ *ibid.*

Nonetheless, the economic crisis which took place during the first year of the Eighth Plan's implementation had a lot of repercussions for the Thai people. Hence, there was a need to revise the plan in order to solve the national crisis, with more attention given to economic stabilization, provision of social protection, economic structural adjustment, as well as an improvement in the management for national economic and social consolidation.¹²

The global economic crisis in 1998 seriously affected economic conditions. Ongoing attempts by various governments to solve the problem, on both a short and a medium term basis, brought about a gradual recovery of the economy and a certain degree of economic stability was achieved. By 2000, the economy was growing at a rate of 4.4 per cent as compared with the historic contraction of 10.2 per cent in 1998. But problems still remained in the financial and property sectors, and the growing public debt and budget deficits were a major constraint for future resource allocation. Moreover, the Thai economy remained dependent on foreign technology, with a weak production base, and unable to absorb rapid changes in external conditions. The economic environment, in general, was not conducive to local innovations or the efficient transfer of technology to enhance the national development.¹³

Despite all of these shortcomings, the Eighth Plan's emphasis on participation was a major step toward the mobilization of all people to play a more active role in the process of national development. This is evident in the increased levels of development networking among peoples' organizations and in the increase in partnerships for development with the public sector, which can serve as a strong foundation for the future development of the country.

The Ninth Plan considered the domestic changes and laid down a strong foundation for the acceleration of many reforms in political and social sectors. Reforms include administrative and fiscal decentralization to local authorities, public sector restructuring for greater management efficiency, and the establishment of new independent agencies to bolster monitoring and inspection mechanisms in the society. Recommendations have also been given to education and health system reform to provide quality service on an equitable basis. At the same time, the society has become highly

¹² *The Eighth National Economic and Social Development Plan (1996-2000)*, p.59.

¹³ Office of the National Economic and Social Development Board, *The Development Report 1998-201*, Bangkok, Office of the Prime Minister, p.35.

motivated to increase its level of participation in democratic and development processes. These developments can be viewed as the creation of invaluable social capital, which can be used to speed up the reform of structures, systems, and mechanisms for social development. It can also be used to ensure development transparency and equitable distribution of services to the people, and to provide enabling environments for the mobilization of collaborative action towards strengthening the community and society as the whole on a sustainable basis.

The Ninth National Economic and Social Development Plan adopts the philosophy of sufficiency economy which is advocated to overcome the current economic crisis that brought about changes under conditions of rapid globalisation. Therefore, the vision of the Ninth Plan for the next five years focuses on the sufficiency economy philosophy which implies moderation in all human endeavours. The emphasis stresses the middle path as the overriding principle for appropriate conduct and way of life by the populace at all levels. It applies to conduct and way of life at individual, family and community levels. At the national level, the philosophy is consistent with a balanced development strategy that would reduce the vulnerability of the nation to inevitable shocks and excesses that may arise as a result of globalization.

It is anticipated in the Ninth Plan that the philosophy will lead to a Thai society that is developed, economically, socially and politically, based on self-support and self-reliance. Furthermore, such a society will be highly resilient, even when exposed to the forces and risks of globalization. A sufficiency economy will be one in which the Thai are well educated, engage in life long learning, and possess high moral standards, especially honesty and integrity. Such a society will be knowledge based learning society, which incorporates local wisdom and retains Thailand's cultural identity. The society will be caring and united, and proud of its cultural heritage. In sum, a sufficiency economy will be characterized by balanced, sustainable, and just development.¹⁴ It is not clear that such a philosophy is able to achieve the goals and targets proposed by the Ninth Plan, as will be discussed later in the chapter. However, it is considered that the "sufficiency economy philosophy will be followed as a shared value of the Thai people, guiding the transformation to a new national management system based on efficiency, quality of life, and sustainability objectives."¹⁵

¹⁴ *ibid*, pp.iv-vi.

¹⁵ *Ibid*, p.iii.

The Plan also promotes the 'Quality Society', in which people are capable, ethical, responsible, public minded, and self-reliant; a 'Knowledge-based and Learning Society', in which people will be able to accumulate intellectual capital; and a 'United and Caring Society', in which people uphold moral values and adhere to Thai national identity.¹⁶ The drive to realize the vision of Thai society proposed is seen as being best realized by focusing on areas of economic potential. Clearly then, the Ninth National Economic and Social Development Plan puts economic activity at the centre, and sees the social developments coming as the economic results are attained.

The Plan sets out four main objectives with four targets to achieve these objectives. The first objective is to promote economic stability and sustainability. The Ninth Plan urges that measures be taken to strengthen the financial sector and fiscal position of the country, along with economic restructuring, to create a strong and self-reliant economy at the grassroots level. The overall economy will be made more competitive through development of the knowledge base. The second objective is the establishment of a strong national development foundation so Thai people are better able to meet challenges arising from globalization and other changes.¹⁷

Human resource development, education and health system reforms, the setting up of a social protection system are priorities to be implemented. At the same time, popular participation in communities and rural areas will be enhanced to create sustainable urban and rural development networks, improve management of natural resources and the environment, as well as development of appropriate science and technology.¹⁸

The third objective is the establishment of good governance at all levels of Thai society, "based on the principles of efficiency, transparency, and accountability."¹⁹ Of particular relevance for this study is the emphasis given in the Plan to "the reform of government management systems, the promotion of good corporate management in the private sector, and public participation in the policy development process, as well as the creation of a political system that is accountable to the public and does not tolerate corruption." The final objective is to reduce poverty and empower the Thai people. Thai people will be empowered through equal access to education and social services. Also of interest to this study is the proposal that "Public sector reform will be undertaken to create an enabling

¹⁶ *ibid*, p.iv.

¹⁷ *ibid*, pp.v-vii.

¹⁸ *ibid*, p.v.

¹⁹ *ibid*

environment for public participation.²⁰ These objectives will be discussed further later in the chapter.

For each of these objectives the Plan sets targets: 1) balanced economic development, to be achieved by strengthening the overall national economy to achieve sustainable quality growth; 2) quality of life, with the focus on maintaining a balanced demographic structure and appropriate family size. Every Thai person should have access to resources to achieve good health, develop the abilities to adapt to change, and practice high moral standards and social responsibility; 3) good governance, where a more efficient bureaucratic system will be established, appropriately sized and structured. The capacity of local government organizations to collect more revenue is to be enhanced. Transparency in local government, based on accountable decentralization is a priority. Public participation in local governance is key to effectively eliminating corruption; and 4) poverty alleviation, where pro-poor economic measures will be taken, together with the creation of enabling environments that enhance the quality of life of lower income groups, and empower poor people. Specific targets are given for each target area.

To achieve the aforementioned objectives and targets, the Plan includes an implementation guide, and prescribed seven economic and social strategies which show what the authors were thinking in writing. The strategies are grouped around three main headings: establishing good governance at all levels of the society; consolidating a strong social foundation; and economic restructuring for balanced and sustainable growth. While earlier Plans had emphasized economic targets and strategies, the 8th Plan brought in social development strategies, and the 9th Plan puts a lot of emphasis on developing good governance.

(1) Establishing good governance. Under the good governance strategy there are several themes. One is about reforming the management mechanisms in the political, public, private and civil society sectors. Under this there is to be emphasis on streamlining the bureaucracy, adjusting public sector roles to be compatible with the proposed new development approach, changing budgeting to be results based, reforming the legal system to reflect changes in the domestic and international situation, encouraging the mass media to play a more active role in reporting and monitoring the judicial system. Many of these strategies are new and will require major changes to standard operating procedures. The proposal that the mass media should be encouraged to take a more active role in reporting

²⁰ *ibid.*

on, and monitoring, the judicial process would be quite a radical change if it is implemented.

The Plan also proposes that there be decentralisation of works and responsibilities to local administrative organisations. The intentions of the Plan are to boost the capabilities of local administrative organisation as well as opening up the opportunities for wider participation in the community. Preventing corruption is another of the proposed good governance strategies and calls for participation by the public in doing this.

The Plan proposes that various agencies become active in monitoring the performance of government agencies in the development of checks and balances, that management is transparent and accountable to every shareholder, and that community networks be developed to promote strong families and communities.²¹

(2) *Development of human potential and social protection.* The strategies for this group start from the recognition that people, families, and communities are the cornerstone of Thai society, and that development can only occur as social and business networks between rural and urban areas are strengthened. Prudent management of natural resources and the environment is necessary to achieve sustainable development. Development strategies in this group include the empowerment of the people to cope with changes (improvement in health and education), employment policies which promote self-employment and small-scale entrepreneurship (particularly in the faster growing non-agricultural sectors), improvement of the social protection system (development of the social services), the prevention and suppression of drug abuse and increased public security and, finally, the promotion of development partnerships with family oriented institutions, religious organizations, schools, communities, non-government organizations, voluntary organizations, and the mass media.²²

(3) *Restructuring of management for sustainable rural and urban development.* Four major targets are outlined. The first, the empowerment of communities and development of liveable cities and communities is central to this thesis. Here the Plan proposes that there be emphasis on the processes that empower communities so that they can serve as strong foundations of society. The Plan talks about achieving liveable cities and communities which are tranquil, convenient, clean, safe and well disciplined, and looks for “the creation of bodies of knowledge that are consistent with local wisdom, as well as

²¹ *ibid*, pp.vii-viii.

²² *ibid*, pp.viii-ix.

the development of strong grassroots economies which are more self-reliant, and support sustainable development of livable [sic] cities and communities.” The theme of participation appears again as a strategy to alleviate rural and urban poverty, together with proposals for distributing economic and social opportunities equitably, and capacity building “to equip local administrative organizations with trained people and effective management systems in order to facilitate decentralization.”²³

(4) *Natural resources and environmental management.* Four strategies are outlined: i) to upgrade the efficiency of natural resources and environmental management in support of conservation, and rehabilitation and development of the grassroots economy; ii) the preservation and rehabilitation of natural resources; iii) the rehabilitation and preservation of community surroundings, art and culture, as well as tourist attractions, to enhance the quality of life and the local economy; and iv) efficient pollution abatement management conducive to the development of liveable cities and communities.²⁴

(5) *Macro economic management strategy.* These include strategies for monetary policies which will i) increase the resilience of Thailand in the context of global change: to reduce the risk of economic crisis and ii) distribute more widely distribute economic growth and development benefits. Again, there is reference to achieving improved transparency and accountability and to the financial sector which “should play a key role in decentralization of growth and equitable development.” Decentralization is emphasised again in the second strategy which calls for expenditure increases in ‘Outer Thailand’, “decentralization of fiscal authority, and appropriate transfer of functions to local administrations.” Finally, strengthening the socio-economic system is proposed “in order to build national resilience in the context of rapid globalization.”²⁵

(6) *Upgrading national competitiveness.* The Plan emphasizes strategies for restructuring production and trade sectors, upgrading the quality of infrastructure services to achieve productivity increases, mechanisms to increase productivity through the development of networks, development of local economies, small and medium scale enterprises, and cooperative systems, improvement of the trade negotiation system and international cooperation. Of direct interest to this thesis are the references to developing tourism. The last strategy of promoting service industries to create employment and

²³ *ibid*, pp.ix-x.

²⁴ *ibid*, pp.x-xi.

²⁵ *ibid*, p.xi.

improving income distribution states: “To these ends, tourism should be developed to increase employment and distribute income to local communities.”²⁶

(7) *Strengthening of science and technology development.* The final group of strategies are about the development and application of technology, the development of human resources in science and technology, the development and application of information and communications technology, and the managed commercialization of science and technological development.²⁷

Accepting that there are resource constraints, the Ninth Plan give priority to stabilization and rehabilitation of economic and social conditions to create conditions for more rapid economic recovery with stability, strengthening of grassroots economies (including projects to alleviate liquidity problems in many local economies), alleviating social problems and eradicating poverty.

To translate the Ninth Plan into action, a new development paradigm is advocated, one which is based on the Ninth Plan’s thinking and working, which creates networked and coordinated action to make the Plan’s strategies a reality. Attaining a common understanding of the Ninth Plan’s concepts and strategies is urged, so the Plan’s development strategies guide the allocation of public-resources. Changing the budget allocation system to one that is results based and consistent with operational plans is emphasised, as is promoting the “participation by key stakeholders, especially local people.”²⁸

The Ninth Plan is clearly seeking to combine economic with social strategies in building a better future, the problem definition of past development efforts have created social and economic capital that can be utilized for further development. The development process use in the Ninth Plans is strongly focused on popular participation at both national and community levels as well as on administrative decentralisation. The collaborative problem solving process becomes a strategic plan that serves as a framework for medium term national development, consistent with the long-term vision which had built on the Ninth Plan that advocated a holistic people-centred development approach. The concept of decentralisation, participation and the collaborative problem solving will be presented in the next Chapter.

²⁶ *ibid*, pp.xi-xii.

²⁷ *ibid*, pp.xii-xiii.

²⁸ *ibid*, pp.xv-xvi

2.3 Summary and Analysis of the Ninth Plan

The Ninth National Economic and Social Development Plan proposes a whole range of steps which will bring about these outcomes, including much restructuring, decentralization, participation, empowering of local communities, delegation of responsibilities and, through it all, good governance.

Therefore, the Ninth Plan is designed to put Thailand on the path to recovery – socially, economically, structurally, politically, industrially, and every other way. The Ninth Plan wants to see poverty dealt with; to see a more educated and skilled population; to see stronger communities; to see the end of corruption and dishonesty; to see the media and the community working to make sure government and business do their jobs properly. It takes a comprehensive approach, unlike the earlier plans which were more limited. Thus the proposals of the Plan are best realised by focusing on areas of economic potential. People in communities will build strong foundations for social and community development, incorporating good management systems at all levels. Thai national cultural identity, which stresses open mindedness, will contribute to the establishment of peace in the region. Realization of economic potential will result in Thailand becoming a regional economic centre, particularly in primary agriculture, food processing, tourism, education and technology. At the same time, by building on Thailand's advantages in terms of geographic position, and existing infrastructure strengths, economic gateways will be developed that enhance linkages with neighbouring countries and the region, strengthening Thailand's international competitive position.

The Ninth Plan notes many structural problems of economic management, political, and bureaucratic systems which are highly centralized. As noted earlier, the government sector is weak, inefficient, unable to respond to changes in a flexible and timely manner, and unable to fully support economic development. This situation impedes development in the business sector. At the same time, local administrative organizations have limited capacities. Decentralisation of power to local community organizations and local communities is still at the initial stages and the results are still limited. Hence, the people generally have not been given sufficient opportunity to participate in the formulation of national development directions. The legal framework, rules and regulations are out of date and in need of an overhaul to cope with the changing situation and to support development more efficiently. Therefore, developments in the national plans generally recognize that the role of local government has to be strengthened to enhance public service provision and democracy in the country. The major target to support the role of the local government is to develop local economy to strengthen their local fiscal system.

There have been many attempts to increase local government capacity in many aspects. However, clear direction and resources to facilitate the intentions are needed under the decentralization process of devolve to public administration previously carried out by the central or higher agencies to local governments. The role of local government has been regarded its decentralised direction as a key element to ensure the new democratic system and more active roles in public services to people in the country. The devolution of responsibility to local government for delivery of public services is expected to be a more effective way to meet the basic needs of the people that could lead to local political reform and social responsibility.

A full discussion of development is not always practical because of the realities of divergent interests and the changes of some situations and social conditions. Thus, the previous national economic and social development plans found weaknesses which became a step in problem identification before going on to the next steps. In the past, the implementation of the national economic and social development plan was undertaken in a compartmentalized, segmented manner according to the functional responsibilities of each government agency. There was no progress or evidence to make sure the earlier Plans were followed through. As a result, there was no vigorous and concerted effort to undertake tangible actions in order to attain the Plan's development targets. Despite the importance placed on adjusting the development paradigm during the Eighth Plan towards a holistic development approach, emphasizing collaborative action based on a shared mission, progress has been very limited. It is also recognized that adjusting administrative structures, and attitudes and values of the people, will not occur overnight, which greatly hinders the implementation.²⁹

Thus, during the period of the Ninth Plan, there is a need to undertake the management of change in support of continuous and successful Plan implementation. The focus has been placed on shifting the way of thinking and working together, and creating positive social energy, in order to build a shared vision, and to create new learning processes to cope with change. Analysing opportunities and threats from changes in the external environment are also provided in the Plan, as well as the inherent strengths and weaknesses within the internal environment needed to respond to external forces, in order to formulate a shared mission, strategy, and joint action programmes to systematically cope with change.³⁰ The Ninth Plan has a lot of the steps which need to be taken, but it is short on detail to practise. There is just outline that the process of working together toward

²⁹ Office of the National Economic and Social Development Board. *op.cit.* pp.105-107.

³⁰ *Ibid*, p.106.

common goals will provide a basis for synergy in which all segments of society are linked through strong networks. The foregoing will lead to a joint commitment to undertake the mission and translate the Ninth Plan into action through the formulation of operational plans at all levels, which relate to each other in accordance with the area-function-participation development approach. The process of joint learning by doing will lead to necessary adjustments of systems, mechanisms, rules and regulations, as well as the development of information systems for monitoring and evaluation, in order to create an enabling environment for the effective implementation of the Ninth Plan.³¹

To translate the Ninth Plan into action, it is necessary to obtain the support of all parties in Thai society. The Ninth Plan advocates a new development paradigm; one based on new ways of thinking and working. This paradigm will create networked and coordinated action to make Ninth Plan objectives a reality. The approach proposed consists of the starting point of a common understanding of Ninth Plan concepts and strategies along with the enhancement of knowledge and leadership for change management. This will take quite a lot of time, and before this happens there will need to be changes in legislation, which will take even longer by the time the proposed changes in legislation have been developed and debated and passed into law. Collaborative networks involving all development partners should be supported and enhanced to create a learning society. A public relations campaign is needed in support of the above. Next, Ninth Plan development strategies should guide allocation of public resources. Action plans are needed at various levels (by function and sub-national areas) to implement Ninth Plan principles. To achieve integrated implementation of five-year thematic master plans, collaborative effort by several agencies and various stakeholders within a given thematic area is needed. It is also important that the operational plans should be formulated at the community, local, ministerial, and departmental levels. Horizontal coordination needs to be encouraged among various agencies and key stakeholders, including at the geographic area-function-participation scale. This idea is proposing a total reorganisation of the present local organisations into a much larger unit where the interactions between rural and urban, and the different economic and social issues at the core of the wider community are incorporated into a redesigned structure. Operational plans should cover a period of not more than 3 years which the Plan intends to cover a period of five years and should provide detail regarding investment, programmes, and projects. Such operational plans should clearly identify priorities and specify monitoring and evaluation frameworks. Meantime, accelerated improvement in the functions and roles of central agencies is suggested to

³¹ *ibid.*

facilitate implementation of the Ninth Plan. Major emphasis should be placed on changing the budget allocation system to one that is results based. Budget transfers to local communities should be consistent with operational plans. Finally, promotion of participation by key stakeholders, especially local people, at the inception of development projects to reduce social conflicts. At the same time, monitoring and evaluation mechanisms, based on a hierarchy of indicators and databases, are needed to track performance.³²

The Plan recommends a process which needs more participation from Thai people, from all walks of life and from every region of the country. This represents a deliberate shift in the development paradigm from a sectoral to a holistic approach, in which people are at the centre of development. Besides that, a continuous force of collaboration from all segments of Thai society to manage change will translate the Plan into effective implementation. Due to those reasons, the vision, objectives, targets and strategies of the Ninth Plan obviously reflect issues of empowerment of social and community development, local government and decentralisation as one of major target mentioned that the good governance target is to create a more efficient bureaucracy, appropriately sized and structured. The capacity of local governments to collect more revenue shall be enhanced. In support of the decentralisation process, systems shall be established to ensure greater government transparency and accountability.³³

Although the Ninth Plan has followed the public participation development model, it is not certain that the Ninth Plan would achieve the target of participation. Moreover, there is not clear evidence to show whether the Ninth Plan would be successful in good governance in terms of decentralisation. The regional development plan would need approval from the central government. The local government needs full authority to administer their region which the local government does not have at present. Even though the Plan aims to develop all regions the local government currently needs central government to approve various projects. As long as this continues the strategies of the Plan would not be implemented successfully. The problems which need to be solved are on the basis of decentralisation and responsibilities of local institutions. Therefore, before translating the Plan into action, some necessary elements such as decentralisation, participation and power of general competence should be understood before getting to the real case of local government in Northern of Thailand. Some of these theories will be raised in the next Chapter.

³² *ibid*, pp.xv-xvi.

³³ *Ibid*, p.17.

Chapter 3

Local Government and Decentralisation

3.1 Introduction

As outlined in the previous chapter, the Ninth National Economic and Development Plan set out strategies for the development of Thailand. One of the major issues discussed in the Plan is governance. Governance received particular attention given problems that included inadequate economic management. Additionally, there was recognition that the highly centralised nature of political and bureaucratic systems, which were dominated by the public sector, was problematic. In the Plan it was observed that the government sector was weak, inefficient, unable to respond to changes in a flexible and timely manner, and unable to fully support economic development. At the same time, local administrative organisations had limited capacities. Decentralisation of power to local community organisation and local communities was still at its initial stages and the results remained limited. Hence, it was reported in the Plan that the people generally have insufficient opportunity to participate in the formulation of national development directions. Legal frameworks, rules and regulations are out of date and in need of overhaul to cope with the changing situation and to support development more efficiently.¹

One of the development targets in the Plan is, therefore, “to increase the capability and opportunities of local organisations to develop independent sources of income. Proper systems shall be established to increase efficiency and transparency in order to abet the decentralisation of administrative power”.² To achieve this target, the political process needs to proceed on the assumption that the concept of local self-rule is consistent with decentralisation. Local institutions need to act on assigned responsibilities free of national control and to be able to provide certain activities. Major policies, however, are guided and taken care of by national government such as monetary and fiscal policies, defence policy and foreign policy. The Plan proposes that local government will develop a certain degree of autonomy to carry out its responsibilities, while national government will retain its responsibilities for maintaining peace, order and national security.

¹ Office of the National Economic and Social Development Board, *op. cit.*, pp.8-10.

² *Ibid*, p.28.

The idea of local government is based on decentralisation which is to promote local autonomy in self-government, participation in administration, the acquisition of rights and the authority to perform its own functions. The right to vote and hold elections creates public awareness, a willingness to defend personal rights and keep a sense of duty alive as a political development tool. The advantage of local government is that no one sees local problems and needs better than the local people themselves. Participation enables citizens to engage in problem solving and learn from the local political process how to operate politically at the national level. It also mitigates the central government's responsibility which corresponds to the liberal ideas of some political scientists who are in favour of local governments as these support public participation with the right to self-rule as the basis for a democratic way of governing.³

To understand local authority, the concept of local government is discussed, first, in terms of local administration. The notion of decentralisation is introduced in terms of autonomy and participation which will be used to measure decentralisation in local authority. This measurement will be used to evaluate local government in Thailand in the final chapter as well. To encourage decentralisation and participation in problem solving situation, collaborative problem solving is the best process to be involved which has been outlined as a prospective problem solving process in the Ninth Plan. The final section of this chapter will present the issue of the power of general competence which involve local capability and authority in terms of policy process.

3.2 Local Government

The arguments for decentralisation in local government are based on ensuring that local government remains local. A local authority's actions mainly affect a limited area. Its headquarters may be very close to many of those affected by its services, rarely more than an hour or so away. Its officers and councillors live close to the decisions they have to make, to the people whose lives they affect and to the areas whose environment they shape.

Decisions are made about situations known and seen by those involved in the decisions. Such knowledge should be a safeguard against the abstractions of decision-making which can prevail when decisions are taken at a distance. By reason of this localness local government is accessible and exposed to influence from its citizens. Its activities and decision-making processes are more visible than those of great departments

³ Prayad HongThongkam and Anand Katwong, *Capability of Local Government in Community Development : Role of Municipality*, Bangkok, ThaiWattana Panit, 1991, p.14.

of state as this visibility makes it open to pressure where its activities fail to meet the needs of people who live in its area.⁴ It operates on a scale that can be seen and comprehended and make it vulnerable to challenge.

The strength of local government is that it provides the potential to satisfy this aspiration. Localness should be the basis of responsiveness in local government. Indeed, one of the great strength of local government is that it can provide democratic control over bureaucracy in organisation far more effectively than can be achieved in large national bureaucracies headed by ministers or appointed boards. The problem of local government is the lack of authority to make decisions in many local issues as central government agencies have more control and power. This point will be discussed further in topic 3.5 *Power of General Competence*.

The recognition of the importance of the 'local' perspective in the 1990s has developed a forceful case for autonomous, elected local authorities. Jones and Stewart in particular have set out to establish a strong defence of local government in opposition to calls for greater centralisation. Their argument for local government is four-fold.

First, local government is grounded in the belief that there is value in the spread of power and in the involvement of many decision-makers in many different localities. Diffusion of power is a fundamental value and local authorities as elected bodies can represent the dispersion of legitimate political power in society.

A second argument rests on the view that there is strength in diversity of response. Needs vary from locality to locality, as do wishes and concerns; local government allows these differences to be accommodated. Diversity is also important because it provides scope for learning. Local authorities can learn from each other's different patterns of provisions, experimenting and pioneering. In response to the complex challenges of our time such a capacity for innovation and learning is vital.

Third, local government is local. This aspect facilitates accessibility, responsibility and responsiveness because councillors and officers live close to the decisions they have to make. Its smaller scale makes it more vulnerable to challenge than central government which as a large scale organisation is more remote and inaccessible. Its visibility makes it open to pressure when it fails to meet the needs of those who live and work in the area: the local authority has the potential by reason of this localness to be accessible and exposed to influence by its citizens.

⁴ Jones, G.W., & Stewart, J., *The Case for Local Government*, (2nd edition). George Allen & Unwin. London, 1985, p.6.

Finally, local government has the capacity to win public loyalty. It can better meet local needs and win support for public service provision because it allows choice. It facilitates a matching of local resources and local needs. Local government, by making government less remote and more manageable, makes it more comprehensible, enabling a clear and balanced choice to be made over the extent to which people wish to promote community values.⁵

Stewart notes that local authorities do not grant equal access to all. He states, “a local authority is in part an open organisation. There are many relations with the public’s opening up the local authority. Yet the local authority is not equally open to all its public nor does it give equal weight to all demands made.”⁶

He regards this situation as inevitable and legitimate providing that choices about access are made consciously and openly by elected representatives. This argument parallels that of most pluralists who likewise accept the reality of inequalities in the influence of different groups, providing that it reflects the varying degree of intensity with which preferences are held and providing that the potential remains for new interests to be mobilised and granted access.⁷ The organisational arrangements associated with the delivery of services can constrain the capacity for local choice.⁸ The dominance of service committees in decision-making can encourage a narrow functional focus rather than a wider understanding of community needs. Bureaucratic modes of organisation can discourage risk-taking and innovation. Professional influence, because it operates through national bodies and debates, can lead to the exclusion of local factors and interests in decision-making.

Those who are concerned about the defects of local government should worry deeply about the only alternative that is on offer - centralism. The alternative to local government based on present principles is government either by central government or by appointed authorities dependent on central government. Even those who are anxious about the efficiency and accountability of local government should be wary about any increase in the power of central government. It would lead to a dangerous concentration of power in central government which would be able to decide not merely those matters directly under its control but also the expenditure of each and every local authority or whatever body might eventually replace them. Not, as now, would there be at least some counter-balancing

⁵ Jones and Stewart. *op cit.*, p.6.

⁶ Stewart, J., *Local Government: The Conditions of Local Choice*, Allen & Unwin, London, 1983, p.135.

⁷ Dunleavy, P. & O’Leary, B., *Theories of the State*, Macmillan, London, 1987, pp.32-33.

⁸ Stewart, .*op. cit.* p.142.

views on local expenditure, but central government would be able to enforce its views on the wide range of public expenditure of individual authorities.⁹

Concentration of power is a danger to a free society. A balance of views in action can temper extremes of policy. Concentration of power would also be centralisation of decision-making. Decision on expenditure levels would no longer be made by many local authorities but by one central government which would be both organisationally and geographically removed from the areas to which the decisions were to be applied. Such decisions are likely to be made in light of the experience of recent years as a guide rather than in response to local perceptions of need or want.¹⁰

The movement of decision-making from local authorities to central government means the movement of decision from a visible local bureaucracy to a largely invisible central bureaucracy, from control by councillors close to their officials and involved in the affairs of their localities to control by central government which can inevitably be only occasionally controlled by their political masters, the minister. Nor is such change likely to lead to economy in the use of resources. There is waste in national standards of provision which bring authorities to levels of expenditure not sought by the local community. Such standards are crude bases for the use of resources. Limitation on local authorities' responsibility for their own expenditure decisions coupled with an increase in central government's responsibility move power from local authorities to central government. The authorities of local government cannot be improved if the idea of decentralisation and power of general competence are not acceptable by the central and local government.

These problems are also referred to The Ninth Plan as collaborative problem solving model, decentralisation and participation are focused in the Plan. The development target aims to increase the capability and opportunities of local organisations to develop independent sources of income. Proper systems shall be established to increase efficiency and transparency in order to abet the decentralisation of administrative power. Therefore, decentralisation is a variable and hence it is necessary to devise a method of measuring it. The concept of decentralisation refers to the dimension of the state apparatus. It is a broader concept of hierarchical relationships than that associated with traditional ideas

⁹ *ibid.* This situation is happening in Thailand. See the details in Case Study: Local government in Northern Thailand, Chapter 8 and 9.

¹⁰ *ibid.*

about central-local relations.¹¹ It encompasses all institutions that constitute governmental arrangements for local communities and is a target in the Ninth Plan as well.

3.3 Decentralisation

Decentralisation is moves made to reduce or undo centralisation. Complete decentralisation would involve the withering away of institutions of the state. Decentralisation of government is generally used to refer to the dispersal of government personnel physical plant and services; and/or the re-distribution of governmental functions and powers. Governments may also become involved in another kind of decentralisation when they offer incentives or impose sanctions to induce business or other people to set up or move away from major centres.¹²

It is noticeable that decentralisation is commonly associated with a wide range of economic, social and political objectives as mentioned in the Ninth Plan's vision and strategies cited in the previous Chapter. Yet local government is not without its critics. To some it is parochial, inegalitarian and unconcerned with the privileges and exploitation built into local power structures. It ignores the possibility that the holders of economic power at the local level will dominate local institutions and perpetuate hierarchy and oppression. Decentralisation in liberal regimes has been used to strengthen existing patterns of domination. Even those sympathetic towards decentralisation are often critical of its working in practice.

The community politics approach to decentralisation has been almost exclusively concerned with identifying the location of power within communities. The level of decentralisation has been assumed to be a constant factor: decentralisation and autonomy have been confused and treated as a dependent variable. Decentralisation needs to be distinguished from autonomy in order to assess the impact of variation in the organisational aspects of local autonomy. These two concepts will be discussed in the following sections.

3.3.1 *Autonomy*

Autonomy is not an unambiguous element. In its earliest expression, it was mainly understood to mean the independence of a community. In the more modern forms of mixed government modelled upon it, autonomy was understood in plural terms as the right of the public in political power. Liberal democracies so exalt the autonomy of the individual as to make the rights of the individual limited to majority rule and the authority of government.

¹¹ *ibid.*

¹² Larmour P., & Qalo R., *Decentralisation in The South Pacific*. Fiji Time Ltd., Suva, 1985, pp. 3-4.

Modern democracies tend to be composites of some forms of autonomy: norms, institutions and policy process.¹³

3.3.1.1 Norms

In its normative dimension then, democracy embodies the belief that all human beings ought to enjoy the opportunity for self-government or autonomy. Even in the Ninth Plan, it is proposed that the development principles will encourage and empower all people to be capable, ethical, responsible, public minded and self-reliant.¹⁴ This norm may be grounded on various philosophic assumptions: a belief in an innate moral sense, in the capacity for moral choice inherent in human rationality, in rational self-interest, or in the pragmatic need to acknowledge the subjectivity of values. The aim of promoting autonomy implies a social responsibility for promoting conditions which enable citizens to acquire the education and information they need to make informed choices, both in civil society and in public government. It implies the development and inculcation of a civic culture in which the norm will be recognized and transmitted. It requires a system of law in which rights designed to promote autonomy will be protected. But autonomy can take different forms: individual, plural, and communal. Individual autonomy is the acknowledged right of all mature citizens to regulate their own conduct as they see fit, providing only that in so doing they do not deny others the same opportunity. Plural autonomy is the acknowledged right of social sub-groups formed by cultural affinity and voluntary association to regulate their own affairs and pursue their own ends subject only to the same limitations. It is something that is given political expression in electoral arrangements such as proportional representation, in executive power-sharing arrangements, in federalism and in public support for local education. Communal autonomy is the acknowledged right of more exclusive political associations to collective self-determination, whether by majority rule or by consensus. These forms of autonomy are compatible but they may also give rise to tensions.¹⁵

3.3.1.2 Institutions

The institutional dimensions of modern democracy appear in two spheres: the private sphere of civil society and the public sphere of citizenship and representative government. Civil society embodies such forms of autonomy as the family, private economic enterprise, churches, trade unions, professional associations and privately owned

¹³ Lakoff, S., *Democracy: History, Theory, Practice*, Westview Press, Colorado, 1996, pp.30-34.

¹⁴ *The Ninth National Economic and Social Development*, p.iv.

¹⁵ *ibid.*

media of information and opinion. The public or state sector embodies representative legislatures, independent judicial systems and executives and civil servants who can be held accountable. Political parties, pressure groups and mass media serve as intermediaries between the two institutional sectors, focusing public opinion on issues of social concern and organizing the electoral process. The large size of modern democracies makes representative rather than direct self-government a virtual necessity and federalism desirable, but some provisions may appropriately be made for direct or participatory democracy, as in party nominating or primary elections and referenda, both to ascertain the public will and to assure the electors experience self-government.¹⁶

Institutional democracy is more a rigorous requirement in the political sphere than in civil society. Because membership in civil associations is voluntary, members may agree to unequal shares in influence and control. But it is misleading to suppose that in a democratic society the prevailing norms can be restricted to political institutions.¹⁷ As analysts from Plato and Aristotle to Tocqueville and many modern political sociologists have implied or explicitly asserted, democratic values are bound to find expression in many of the institutions and behaviour patterns of civil society. It would be too much to expect all the institutions of civil society to be as democratic in form as those in the public sector. The requirements of liberty and efficiency should allow unaccountable, hierarchical and otherwise undemocratic institutions to persist in civil society, especially when the adoption of standards of qualification for those admitted to membership is critical. Business corporations, hospitals, universities, churches and scientific societies must be allowed to govern themselves hierarchically, and to admit members on criteria of selection that would be unacceptable in the political sphere. Nevertheless, it is also highly likely that adoption of the democratic political norm will produce pressures for democratisation in civil society (such as openness demanded to protect shareholders in corporations, the right of informed consent for patients receiving medical treatment, the self-government by faculty and to a lesser extent, by students characteristic of universities in democratic societies and the tendency for lay participation and toleration of dissent in even the most hierarchical church).¹⁸ When this pressure undermines the integrity of the institutions and associations of civil society by stipulating the adoption of considerations which are not appropriate but may seem to satisfy some political objective, the line between 'public' and 'private' may be breached and individual rights put in jeopardy. In this sense, there may be well tensions

¹⁶ *ibid.*

¹⁷ Cammack, P., 'Democratization and Citizenship in Latin America,' Parry G. and Morann. M. (eds.), *Democracy and Democratization*, Routledge, London, 1994, pp.174-175.

¹⁸ Lakoff, *op. cit.*

between political democracy and the civil associations of democratic society, though these practical strains are not inherent from a theoretical point of view.

3.3.1.3 Policy Process

In terms of policy process, both central and local government are in accordance with popularly adopted and amenable constitutional rules, that individual rights are protected by due process of law, elections are fairly conducted and arranged so as to protect voters from intimidation and that many other rules are adopted which may vary from one system to another to ensure fair representation, the accountability of public officials and the regulation of private activities in the public interest. Democratic electoral rules must embody the principle of equality for all citizens in the right to vote and the general presumption must be in favour of majority rule, indeed of super-majorities for constitutional change, but the electoral rules may allow for representation of minorities as in proportional and power-sharing arrangements and for federalism.¹⁹

On the whole, the combination of the three forms of autonomy: *Norms, Policy Process and Institution*, results in a strong and resilient social and political system in which individuals and groups are free to regulate their own behaviour insofar as it does not affect the rights of others, but in which all citizens cooperate in determining questions that affect them all.

However, the tensions among the three forms find expression, sometimes in difficult problems of practical application. The autonomy of local government may lead a majority to impose measures of taxation, regulation, and conscription which minorities may find coercive and even illegitimate. Autonomy may be thought by some to require common systems of public education, while respect for plural autonomy may be thought by others to warrant public support for separate forms of schooling, based upon religious affiliation. The art of democratic politics consist of a continual mediation among the forms of autonomy in order to preserve balance and maintain social harmony. Success is not guaranteed and a breakdown may lead to the adoption of authoritarian and totalitarian alternatives, as historical experience makes all too clear.²⁰

According to those three forms, it is concluded that a process of autonomy operate in whose environment directly and indirectly – directly as it make self-decisions for

¹⁹ *ibid.*

²⁰ *ibid.*, p.42.

themselves, pursue careers, enter into relationships with others and otherwise live their lives directly and indirectly through political representatives accountable to them. The system of government makes possible centralized decision-making and rule setting in matters that affect all citizens, and decentralized decision-making and rule setting in those best addressed to the local level. In short, a social and political system is characterized by a high degree of personal liberty and an equally high degree of political liberty manifested in regular and free competitive elections, protected by a legal system based upon a constitution and often articulated by means of federalism. Like other political systems which cannot avoid the need for bureaucracy civil services must be subject to political accountability and arranged so as to serve the citizens, not to dominate or frustrate them.

In real situations, many political and organisational factors condition the interaction between local and central government. Central agencies may not present a consistent policy to area authorities. There may be conflicting guidance from different departments on revenue raising, expenditure and service provision.²¹ Statutory sanction may be mediated by other decision making processes and inter organisation arrangements such as alternative sources of finance, the ability of area authorities to influence the centre's choice of projects or the tendency to reject only low priority projects.²² Local authority may be just as successful when in conflict with the centre over matters where statutory powers are available to it as when involved in conflicts where the centre has only administrative influence at its disposal.

Control may be a function of technology. The more effective the arrangements for keeping local units under the scrutiny of the centre, through reporting, inspection and record keeping, the more centralised the system. The better the communication between centre and locality, the easier control becomes. Many technological developments increase the analytical capabilities of the centre and its power. The physical distance separating parts of an organisation may be relevant in this respect, especially in less developed countries. Discretion at the lower level may grow beyond officially defined responsibilities if physical separation reduces supervision to intermittent contacts.²³

²¹ Harris, R., 'Communications and the rate support grant process,' *The linkage*. MacMara, New York, 1978, p.3

²² Rhodes, R.A.W., *Central-Local Relations*. The Layfield Committee Report, 1980, p.4.

²³ Smith B.C., 'Measuring Decentralisation,' *New approaches to the Study of Central-Local Government Relationships*, GW.Jones (ed.), Biddle Ltd., Hauts, 1980, pp.141-142.

It is important to distinguish changes to the machinery of government, to make the system more decentralised, from other aspects of an area, such as its wealth, resources, political system, demographic structure, geographical location which may be more important in determining its autonomy. Political factors can operate to make a constitutionally decentralised system highly centralised. The political complexion of local government units compared with the central government will be an important mediating factor, as will the level of 'politicisation' of area governments. The formally decentralist provisions seem to have had little effect on the overall balance of power between state and local governments. More decentralisation does not necessarily mean more autonomy and vice versa.

The concept of decentralisation is commonly used in development process as in the Ninth Plan of Thailand which has the objective to promote decentralisation promote process by allowing local administrations to play a greater role in local development. It also mentions that the government existing service delivery systems should be adjusted, allowing for greater decentralisation of administrative authority.²⁴ However, there is not much detail about how to adjust the roles of central and local government which would be the main concept to allow for more decentralisation.

Participation is another concept which is a main focus in the Ninth Plan. The next section is about the concept of participation and the connection between participation and decentralisation.

3.3.2 Participation

In the 1960s-1970s, the idea of participation was debated in local government in Britain.²⁵ At that time the involvement of a larger number of people in public decision-making was called 'popular participation'. After that, participatory procedures brought newly formed tenants' associations, pressure groups and protest campaigns into contact with those making decisions about them but without them. Such groups were not necessarily asked to share in making actual decisions. More often, they were consulted on policy proposals or asked to help implement them. At a time when housing, town centres and road networks were being modernised, planning was seen to have the most important impact on people's lives.²⁶

²⁴ Office of National Development and Social Development Board, *The Ninth National Economic and Social Development Plan*, p.28.

²⁵ Lumb, R., 'Communication with Bureaucracy: the Effects of Perception on Public Participation in Planning' in R., (ed.), *National and State in Europe*, Academic Press, London, 1980, p. 105.

²⁶ Nelson, N., & Wright, S., *Power and Participatory Development*, London, Intermediate Technology Publications, 1995, p.2.

In what follows, the role of political participation will be outlined before concluding on decentralisation.

Political Participation

Political participation is participation in the process of government and the case for political participation is essential for substantial numbers of private citizens as distinct from public officials or elected politicians to play a part in the process by which political leaders are chosen and/or government policies are shaped and implemented.²⁷

Birch has identified the main forms of political participation as follows;

- voting in local or national elections
- voting in referendums
- active membership of a political party
- active membership of a pressure group
- taking part in political demonstrations, industrial strikes with political objectives, rent strikes in public housing, and similar activities aimed at changing public policy
- various forms of civil disobedience, such as refusing to pay taxes or obey a conscription order
- membership of government advisory committees
- membership of consumers' councils for publicly owned industries
- client involvement in the implementation of social policies
- various forms of community action, such as those concerned with housing or environmental issues in the locality.²⁸

Although participation is a behavioural concept, it is one with strong normative overtones. Very few people believe that democracy would be enhanced in quality and perhaps improved in efficiency if the level of political participation were increased, either through existing channels or through additional ones that ought to be established.

To some extent participation can be justified in terms of the functional requirements of any system of government, whether democratic or not. Those who wield political power, whether at the local or the national level, will be likely to do so more effectively if they are well informed about the problems, needs and attitudes of the citizens

²⁷ Birch, *Concept & Thesis of Modern Democracy*, Taylor & Francis Group, New York, 2001 (2nd ed.), p.105.

²⁸ *ibid.*, pp.105-106.

and the community they govern.²⁹ However, it is better and more efficient if there are open channels of communication through which private citizens or freely elected representatives can pass relevant information to decision makers.

A commitment to democratic principles supplements these basic arguments with others. It is part of the definition of democracy and fundamental to all democratic theories that private citizens should have the opportunity to vote in elections, to organise political parties and pressure groups and to give public expression to their views on political issues without fear of reprisals if their views happen to be unpopular with the government of the day.³⁰

The struggle for political power on the local scene involves the election process which includes political campaigns. Policymaking and other actions are articulated in terms of conflict, public opinion, and other forms of political outcries including nearby local government units, local economy, local society, and other provincial government representatives.³¹ Local governments need public input to engineer all local activities according to decentralisation principles. In case the people had not participated in the system, local government would have not success to a legitimate polity.³²

Lucian W.Pye defined political development as the building of democracy and a mobilisation and participation.³³ As such, political participation is an essential component in local politics. It can be elaborated as follows:

- Participation by voting, applying for political position elections, campaigning, joining discussions about choices of political candidacy, party policy, persuading for voting and other watchdog activities to create clean and fair elections.
- Participation in political party activities by applying for party membership, campaigning for party candidates and coordinating to prevent political vote-buying.
- Participation by political dialogue/ exchange on local creativity and policy implication as well as public hearing and referendum.
- Participation in terms of organizing interest groups according to different occupations to form bargaining power or balancing acts.

²⁹ *ibid.*

³⁰ *ibid.*

³¹ Prathan Kongrithisaksakorn, *Local Government: Pattaya City*, Provincial Office, Chonburi, 1990. pp.13-14.

³² *ibid.*

³³ Uthai Hiranyato, *Local Government*, Siam Printing, Bangkok, 1994, p.28.

- Participation by other political resentment such as protests, demonstrations and fasting.

Other forms of political participation include, for example political mobilisation organised to force the authority to make a decision, submitting complaint letters for help on information, politicisation, political rights protection campaigns and pre-registration checking for voting rights.

However, political participation is quite complicated with unclear guidance and no straight pathways of success for evaluation. Burkey³⁴ has identified basic issues which make participatory democracy difficult, as follows:

- a) Participation will develop in different and specific ways in specific situations dependent upon the problems faced by specific groups of the poor and the specific factors inhibiting their development. The promotion of people's participation according to neatly defined standards of 'development objectives' may actually inhibit people's initiatives rather than promote them.
- b) The poor need to be approached as a specific group and other economic situations must be improved if participation is to be successful. This will, in most situations, automatically imply conflict with more well-to-do elements in differentiated rural societies.
- c) Participation requires organisation. Yet organisations easily become formal centres controlled by the few. Maintaining 'people's power' requires that the poor retain genuine control over their own organisations.
- d) Participatory processes seldom begin spontaneously. Such processes are generally initiated by a leadership whose vision is external to the perceptions and aspirations of the people concerned. Resolving this contradiction implies beyond mere mobilisation for the support of an 'externally' defined cause.

The resolution of these issues is essential for the achievement of self-reliant participatory democracy.³⁵

In summary, participation is a broad concept when used in the context of decentralisation or it may be seen as an end in itself. It may have an intrinsic merit if it increases self-esteem, confidence and the individual's sense of power. It may also be seen as a basic human need, in which case we would be concerned with participation as an

³⁴ Burkey, S., *People First: A Guide to Self-reliant, Participatory Rural Development*, Atlantic Highland, New Jersey, 1993, p. 60.

³⁵ *ibid.*

ongoing process.³⁶ This suggestion has a wider scope and greater intensity of participation than where participation is viewed as a predetermined input. The fact that participation has a variety of meanings suggests that approaches that use the term uncritically or view it as unequivocally good should be treated with caution.

Decentralisation and Participation

Under decentralisation, most of the participatory approaches being used at the moment are 'political participation' as mentioned in the previous section. The decision makers who use this approach need to believe that "participation is an essential part of human growth, that is the development of self-confidence, pride, initiative, creativity, responsibility and cooperation".³⁷ This process whereby people learn to take charge of their own lives and solve their own problems is the essence of democracy and participation is often felt to be sufficient.³⁸

Decentralised administration is one form of antidote that is effective the world over, for it rests upon human impulses that are universal. Centralisation is a threat to the human spirit.³⁹ Notice that this is an administrative, not a political or social proposition.

It is not at all difficult to see the connection between this and decentralisation provided that there is machinery for associating the citizen in the decision-making process. Now, in part, democracy is concerned with this, but the problems of the modern state are so complex that only the most general and unselective control can be exercised by the citizen over centralised government and the citizen's power to help in making decisions is usually small.

On the face of it the citizen can have far greater influence in vital decisions. It follows, however, from this argument that as many government functions as possible should be carried out by a local authority, and where that is not possible, a government should devise the means to bring citizens into the decision-making process. Participation is about shared responsibility for a community and a society.⁴⁰

³⁶ *ibid.*, pp.59-60

³⁷ Nelson, N & Wright. S., *op cit.*, p. 42.

³⁸ See the example of people's participation in problem-solving process under the section 'Doi Suthep Issue.' in the Appendices.

³⁹ Robert J.L. (ed.), 'Decentralisation in New Zealand Government Administration,' *Study in Public Administration No.7*, Oxford University Press, London, 1961, p.114.

⁴⁰ *ibid.*

After analysing the concept of decentralisation in the elements of autonomy and participation, the measurement of decentralisation can be set against ten terms as will be presented in the next section.

3.3.3 The Measurement of Decentralisation

As mentioned in Chapter 2 the Ninth Plan has given more importance to decentralisation in political and local policy processes by focusing on areas of regional development. The Plan set decentralisation of work and responsibilities to local government.⁴¹ However, to evaluate the political and administrative consequences of there being a greater or lesser number of decentralised areas with different degrees of power delegated to them by the centre have to be compared and variations in the administrative and political experiences of those areas in terms of decentralisation accounted for. The measurement required cannot be a precise exercise; rough judgments will have to be made.

By the first measurement, decentralisation relates to governmental functions. The tasks assigned to area governments have to be analysed to distinguish between whole functions, partial functions and low level policy making. Distinctions have to be drawn between the structures of decentralised administration, since some functions can be assigned to either devolved councils or field officers. Purely central tasks performed at the local level have to be distinguished from exclusive functions which can be either devolved or decentralised. Decentralisation can be measured by the distribution of expenditure between the centre and different forms of peripheral government. The more responsibilities are handled by devolved methods, the more decentralised a system will be. Centralisation can thus be reduced by expanding the range of decision areas of local government.⁴²

The second measure relates to taxation. Areas and systems of decentralisation are compared according to their powers of revenue raising. Many features need particular attention. One is the proportion of total national revenue which is raised locally. The second is the extent to which local revenues are allowed to expand faster than the rate of inflation. A considerably decentralised system of government would be one in which there is no legal restriction on the level of local tax rates and where there is a tax base which can expand in line with the growth of the economy and the rate of inflation.⁴³

Third, it is necessary to measure the level of decentralisation within the administration offices of central government, to enable a more precise estimate to be made of the greater centralisation involved in field administration than local government. The

⁴¹ Detail in 'good governance strategies' Chapter 2.

⁴² Smith, B.C., *op cit.*, pp.138-139.

⁴³ *ibid.*

variables relating to the contribution of field administration to the level of decentralisation include the number of levels in the field organisation's hierarchy; the responsibilities assigned to field personnel in terms of both tasks and varying degrees of autonomy within them such as the approval of schemes under a certain cost; the form of inter departmental coordination used; the frequency with which field officers have to refer matters to headquarters for decision; the way conflicts between generalists and specialists are handled; the policies of transferring personnel between headquarters and field stations and between the field districts; methods of communication between the headquarters and the field and methods of headquarters control over field staff, such as reviews, reporting and inspections.⁴⁴

Fourth, the amount of decentralisation given to either local or central government can be measured by reference to three factors: a) local authorities with a 'general competence' can be regarded as more decentralised than those subject to the rule of *ultra vires*; b) the greater the number of local decisions which are centrally influenced rather than controlled, the greater the decentralisation; and c) whether central control tends to take the form of initiation or veto. It is reasonable to assume that it is more, rather than less, decentralised to give area governments the statutory right to do whatever they judge to be in the best interest of their areas rather than be required to find statutory confirmation of the right to take a decision.⁴⁵

The extensive variation between states in the methods of control and influence make comparative analysis difficult. There is a need to assess the relative significance for decentralisation of different types of control. For example, approval of budgets and selective financial controls are the motives behind such controls. Each system of decentralisation presents a different pattern of controls and influences at the disposal of the centre and their impact on the overall level of decentralisation has to be judged.⁴⁶

Fifth, the methods of creating area governments and delegating power to them constitute a measure of decentralisation. Greater decentralisation is involved if area authorities have statutory powers and duties assigned by the legislature than if the same powers are first assigned to the executive which then delegates to area governments acting as agents of the centre. It is important to know whether local governments have a legal existence independent of the central executive.⁴⁷

⁴⁴ *ibid.*, p.140.

⁴⁵ *ibid.*

⁴⁶ *ibid.*

⁴⁷ *ibid.*

Sixth, the level of total local expenditure as a proportion of total public spending may be used when the aim is to compare states or a single political system over a period of time. The greater the proportion of local public spending incurred by area governments, the greater the decentralisation. In a unitary state,⁴⁸ it may be necessary to exclude expenditure on items such as foreign affairs and defence which could never be decentralised.⁴⁹

Seventh is the question of whether the system of decentralisation entails a single tier structure of unitary authorities or a multi-tiered structure. So far there can be only speculation as to how far either pattern affects the level of decentralisation, since conflicting conclusions may be deducted from each arrangement. If there are many levels in the hierarchy there may be 'discretionary gaps' and 'leakages' of authority, thus increasing discretion at the lower levels. On the other hand, the more decentralised a system is, the more there is a strict coincidence of community area and governmental authority. So a simple, unitary system should be more decentralised than a complex, tiered system.⁵⁰

Eighth, the ratio of local government revenues to total government revenues may be used as a measure of decentralisation especially since the dominant view seems to be that as central funding grows, so does central control. So the proportion of local revenues coming from central grants would seem an excellent indicator of decentralisation. However, the evidence often seems to run contrary to conventional wisdom. The viability of financial 'dependence' as a measure of decentralisation requires further investigation. Also the method of administering grants as well as their size may be important to the centre-periphery relationship.⁵¹

Ninth, the personnel of local institutions need to be classified according to whether they are local or not. This ensures that it is mainly the locals who will be employed in these institutions. Adjustments need to be made to the central-local personnel ratio to take into account the labour intensity of local services.

Tenth and lastly, larger authorities might be expected to have more autonomy on the grounds that they will have stronger revenue bases, more developed professional administrations, greater power when dealing with other institutions, including the centre, greater ability to deal with minority needs and greater experience at handling large scale operations than smaller authorities. So a legislative enactment creating fewer, larger area

⁴⁸ *ibid.*, p.141.

⁴⁹ *ibid.*

⁵⁰ *ibid.*, p142.

⁵¹ *ibid.*

governments might be considered a decentralising measure. However, this argument must be approached with caution as larger units of decentralised government can be difficult to control. Also, the hypothesis that smaller authorities submit and conform has not been verified.⁵²

All ten measures are involved in determining to the scope of authority between the central and local government. Some of them are obvious to evaluate such as the terms of revenues which happened in many local government units, in particular Chiang Mai Municipality.⁵³ Some of measurement related to the public interest and participation in local development such as function and level of decentralisation. Therefore, decentralisation would be measured obviously in situations which need participation such as process of problem solving. The problem solving process with public participation is more likely to cover all alternatives and needs of people as solutions are generated by group of people in the problem situation.

3.4 Collaborative Problem-solving

The Collaborative problem-solving is seen by Tillet as an ideal and durable alternative to problems ranging from interpersonal to interstate. Its development arises from the shift from traditional means of peace making. This shift was accompanied by a change in understanding the underlying principles or fundamental assumptions in conflict resolution and conflict management techniques. It explains the underlying principles and the processes of conflict resolution such as a 'win-win' outcome. Collaborative problem-solving is a response to failed institutions, processes and policies, and its shift from traditional means of peace making has theoretical and practical significance. The focus here is on the human element.⁵⁴

In the process of problem-solving, the ongoing collaboration of the participants in the situation is necessary if the process is to be effective. The participants need to move from perceiving each other as opponents to working together as collaborators. This means it requires that they recognise at least minimal needs and common purposes and accept, if only pragmatically, some basis level of co-operation. The most effective, sustainable and satisfactory resolutions usually result from processes that maximise the direct participation of the parties to the conflict. Collaborative problem-solving refers to any processes in

⁵² *ibid.*, p.143.

⁵³ The Municipality organisation and responsibility will be mentioned in the next Chapter and detail of Chiang Mai Municipality where is the case study of this thesis will be on the Chapter 5.

⁵⁴ Tillet, G.J., *Resolving Conflict*, Sydney, Sydney University Press, 1991, pp.40-44.

which the parties work towards problem-solving without third party intervention. This can include informal discussions, or more formal structured problem-solving, and covers both formal and informal negotiation. After participating in collaborative problem-solving which let other parties know other's opinions, most people would settle their disputes and would resolve most conflicts through this problem solving method, although they would probably not recognise it by that name. It involves an element of mutual analysis and planning and collaboration on identifying options and selecting an appropriate solution.⁵⁵

Even though collaborative problem-solving may appear to be informal and unstructured, it usually has an internal structure, whether it is adopted consciously. This section outlines ways in which collaborative problem-solving can be made more effective, and will also discuss strategies for effective participation. Finally, these problem-solving approaches will be analysed for a case of problem-solving and participation by which institutions and democracy process i.e. in the case of the Ninth National Economic and Social Development Plan which is raised in the previous section. Then, all problems from planning solutions through to collaboration that can be helpful should be considered in structuring the process, even if relatively informally, to maximise its effectiveness.

Before planning for collaboration, it is considered that collaborative problem-solving is the same as all problems solving processes that start with problem analysis and planning. This will include careful thinking about appropriate time, place and context within which to initiate and carry out the process. It is important that the initiated party should avoid an ambush or any surprise. It is usually more appropriate to alert the other person to the fact that a subject needs to be discussed, and to encourage them to collaboratively plan the appropriate time and place for the discussion. Although it is often thought that giving advance notice takes away some advantage, and may give undue advantage to the other party, this will only apply if the aim is a fight in which victory is the goal. If the aim is the process of resolution, providing maximum opportunity for reflection and preparation, this will greatly assist the achievement of this aim.⁵⁶

When the parties meet to begin the process of collaborative problem-solving, the first step is to agree on a definition of the problem and of the aim of the process. This requires effective communication, including active listening to ensure that each participant clearly presents their feelings, perceptions and needs, and hears and understands those of the other. Sometimes this stage will disclose either that problem is essentially a

⁵⁵ *ibid.*

⁵⁶ Broadwell, *op cit.*, pp.232-235.

misunderstanding which may as a result dissolve, or that which appeared to be a single problem is a number of different conflicts.⁵⁷

The second step involves identifying options or possibilities for solution. This includes the process of 'brainstorming'.⁵⁸ Rather than presenting fixed solutions for which they then argue, the participants should simply identify a range of options as a preliminary to considering which is the most appropriate. The third step is the evaluation of the options. This relates directly to the identified problem and the aims of the process of collaborative problem solving. It is easy for the parties to lapse into arguing for specific options simply because they originally suggested them, rather than considering them on the basis of their particular merit.⁵⁹

The fourth step is the selection of an option to implement. This should be done on the basis of the parties' evaluations and feelings and should be carefully measured against the problem and the aim of the process. The selected option needs to be carefully discussed and defined on which the option will be implemented. The fifth step involves collaborative planning for the implementation of the selected option. Once again, this has to be done clearly, precisely and specifically. The plan should describe what will be done and by whom, where and how, and by when. It will be useful to commit this proposal to writing or in the form of rough notes to ensure that both parties have the same precise understanding of what each is committed to do. The sixth stage is the implementation of the agreed option. This should involve collaboration by the parties, or at least activities which involve them in as much cooperation or communication as possible.⁶⁰

The collaborative problem-solving includes provision of the seventh step which is evaluation, review and revision of the selected solution. Many people are hesitant to agree to something which appears to be final, fixed and immutable. They are rightly concerned that it may need fine tuning, or even major revision, or may in fact simply fail to work, and that any commitment to it may lock them into an unsatisfactory situation. A commitment that after the proposed solution is implemented will be reviewed and revised will largely overcome this anxiety. This also recognises the fact that a solution which appears to be excellent in collaborative problem-solving discussions may in fact require modification or fail to resolve the problem.⁶¹

⁵⁷ Couger, *op cit.*, pp.372-390.

⁵⁸ *ibid.*

⁵⁹ *ibid.*

⁶⁰ *ibid.* pp.80-94.

⁶¹ *ibid.*

The seventh step is that of evaluating, reviewing, and revising the option that has been implemented. This requires the party to openly discuss their perceptions of feelings about the implementation and the effectiveness of the option as a means of resolving the conflict. If it is unsuccessful, the process may return to the step of option identification or even the first step of problem definition. Such a process is important in maintaining dialogue and cooperation between the participants and establishing a collaborative problem-solving approach to conflict.⁶²

The main of strategy in the collaborative problem-solving process obviously involves participation which can be, and often is, a part of solution. Participation is an activity that of taking part with others in every social process, game, sport or joint endeavour. In view of problem solving, the issue of participation seems a better option for the collaborative process because the nature of participation can release the people's own determination. Certainly, it must be more than the mere mobilisation of labour forces or the coming together of individuals and groups to hear about pre-determined plans. Thus, participation has been a major concern in institutional thinking.⁶³

To define the word 'participation' in any definition is not the end of the matter because it has historically accumulated certain meanings and these are all available to be drawn upon, with the possibility of slippage from one to the other. However, 'participation' has been used in the context of 'empowering' communities. In any contemporary meaning, participation is imbued with different ideologies or given particular meanings by people situated differently within any organisation. In other words, the ideal definition of participation is only the start to exploring what meanings are attached to it in any context, how elections are contested and deployed, and who gains and who loses in the process.⁶⁴ This statement argues that those who are trying to shift the participation as an instrument to enable people to determine choices in life and change direction need critical analyses of ethnographic contexts to see how discourse and procedures of participation actually work in the development process.

Another general point is that the existence of channels for participation in the problem solving process is likely to increase the propensity for citizens to comply voluntarily with governmental rules and orders. If people have had the opportunity to play some part in the selection of public officials, to communicate their views on public issues

⁶² *ibid.*

⁶³ Birch, *Concept & Thesis of Modern Democracy*; Taylor & Francis Group, New York, 2001 (2nd ed.), p.105.

⁶⁴ Moser, C., 'Gender Planning in the Third World: Meeting Practical and Strategies Gender Needs'. *World Development*, Vol.17, November 1989, p. 1815.

and to exert pressure on decision makers, they are more likely to accept that governmental decisions are legitimate, even if disliked, than would be the case if citizens did not have such opportunities.

Thus, collaborative problem-solving, whether or not it involves participation, has the potential to effectively solve most problems, to provide considerable satisfaction for the participants, and to positively promote the development of good communication and relation between the parties. In general, it is the most appropriate initial process for most problematic situations as in the Ninth National Economic and Social Development Plan which pay more attention in public participation. The action plan formulation has involved the participation of people from all segments of society. There is also a need to develop systematic monitoring and evaluation systems at all levels in order to ensure continuous plan implementation, greater transparency, and to provide more opportunities for people to participate in monitoring and evaluation of public sector performance.

Apart from the concept of decentralisation in the elements of autonomy, participation and collaborative problem solving, the power of general competence is another important issue for local government which has been mentioned in both the previous measurement of decentralisation and in the target of the Ninth Plan. This issue will be presented in the next topic.

3.5 Power of General Competence

For some time now many local governments, including Thailand, have been calling for central government to grant a power of general competence. The concern has been to empower local government to take a more significant role in the governance in partnership with central government. The power of general competence is defined as a legal basis for local government, defined and granted by Parliament, in which local authorities are empowered to do anything that they see as being necessary or desirable for the good government of their regions, provided it is not otherwise contrary to the law.⁶⁵

3.5.1 Option to Empower

The option to grant local authorities greater discretion over what functions they may carry out might empower local authorities to do anything which they considered necessary to meet the needs of their residents and ensure the good government of their

⁶⁵ Grant Hewison, *A Power of General Competence - Should be granted to Local Government*, New Zealand Local Government Monograph Series 001/01, August 2001, pp.14-16.

region, provided that it was not expressly forbidden in law or given exclusively to some other authority. The power was defined so as to give considerable discretion to local authorities to make bylaws, carry out works and undertakings and provide services over the area for which they were responsible. It amounts to a broad power to govern.

However, it is noted there is an option to grant a lesser degree of discretion or a power of competence to extend to only a specified range of functions. While this option would increase the flexibility of local authorities in Thailand compared to the present situation, local authorities might still be in the position of not being able to undertake any function they considered to be for the benefit of their community because it fell outside the range of functions that had been specified. On the other hand, this option may be preferable to a broader discretion as local authorities would have a clearer definition of their functions and less adjustment would be required. Another alternative would be to grant a broad power of competence over specified functions in areas such as health, welfare and community development, but more prescriptive powers with regard to functions of a regulatory nature.⁶⁶

An example of the approach to grant power of competence over a specified range of functions can be found in the Victorian Local Government Act 1989 (Australia). Here the functions of local government are specified in the First Schedule to the Act. Local authorities in Victoria are empowered to carry out those functions and also any other function conferred on them by or under the Act or under any other Act.⁶⁷ They may perform their functions inside or outside their municipal district. Section 8(3) of the Act also provides that a local authority has “the power to do all things necessary or convenient to be done for or in connection with the performance of its functions and to enable it to achieve its purposes and objectives”. While some commentators claim that the generality of this power is not limited by the conferring of specific powers and that the functions in the First Schedule do not limit the functions and powers conferred on a particular local authority, others disagree.⁶⁸

The granting of a power of competence over only a specified range of functions would be approached from an inverse position. Instead of central government setting out which functions local authorities may perform they could simply determine which functions local authorities would be prohibited from performing and everything else would be permitted.

⁶⁶ Palmer G, ‘Local Government, the Constitution and the Future’. in McDermott, Forgie, Howell (eds), *An Agenda for Local Government*, Palmerston North, Massey University, 1996, p.324.

⁶⁷ Grant Hewison, *op. cit.*, p.20.

⁶⁸ *ibid.*

There are a number of issues and implications involved in granting a power of general competence to local government. In the next section, however, the focus will shift to examining some of these issues including the relationship between central and local government and revenue.

3.5.2 The Relationship between Central and Local Government

There are concerns that granting a power of general competence could lead to a duplication of function and ill-defined jurisdictional limits between government and local government and create confusion about the respective roles of these two levels of government. There are also questions about whether the lack of clear separation of powers and functions between local and central government will cause too much confusion among elected members and in the public mind.⁶⁹

It has been suggested that a power of general competence must underpin any new basis for partnership between the two levels of local government and with any normal partnership, the allocation of functions and powers would be a matter for negotiation between local government and with any normal partnership, and these decisions may be made binding through contracts. It has also been suggested that this new partnership underpinned by a power of general competence would require the development of a set of specific guidelines to assist in the allocation of functions and provide for better coordination and communication between these two levels of government that exist at present.

Should a more far reaching from a power of general competence be proposed then some consideration will need to be given about how the power relates to the constitutional powers of central government and public administration generally. For example, there is a danger that an initial power of general competence could be reduced by subsequent amendments to local government legislation or by the passage of other legislation that conflicts with the power. As has happened in other jurisdictions subsequent legislation can intentionally or unintentionally undermine the power and its objective to provide local government with more autonomy. Consequently, there may be a need to provide constitutional protection for the new power granted to local government. There may, for example, be merit in providing that any amendments to the new Local Government Act or any other legislation applying to local government be read consistently with a 'power of general competence'.⁷⁰

⁶⁹ Palmer, *op. cit.* pp.182-184.

⁷⁰ *ibid.*

While the degree of local authority remains unclear, it is likely that the grant of a power of general competence of wider discretionary powers is placed beyond the bounds of Parliament as a sovereign authority. Consequently, local government would still be bound by the statutes and legal principles upholding justice and democracy, the authority of central agencies, central government's role in the setting and maintaining of certain standards and the rights of private property. Local authority would also still be bound by common law.⁷¹

It may be expected that despite being granted wider powers, central government would also determine the basic framework for local government units, including their constitution, geographic boundaries, electoral system and also a range of mandatory functions such as those in the field of resource management. From the point of view of a power of general competence, however, it seems important that mandatory functions be kept to a minimum. Nonetheless, in seeking to reconcile the purposes of local government from both a central and a local perspective, it is appropriate to distil nationally important objectives as well as allow each authority through their own strategic planning to determine their own locally important objectives.⁷²

The introduction of a power of general competence in Thailand would make it possible to do away with the current practice of local legislation being passed by Parliament to empower local authorities in situations where their desired course of action would otherwise be prohibited. Local legislation is also widely used to validate actions already taken by local authorities that would otherwise be illegal.

In addition, an important condition for the successful operation of a power of general competence will be methods of funding which serve as much as possible to reinforce and not undermine local autonomy. The grant of a power of general competence suggests a corresponding need for far greater flexibility in the way in which a government funds itself.

As a result, changing the nature of local government at the fundamental level that appears to be required by a grant of a power of general competence is bound to have very complex and some unpredictable outcomes. Faced with this scenario, it might be more attractive to some to stay with the devil you know and from this base take only gradual steps to extend the powers of local government. On the other hand, the demands of the new role local government is expected to make in local governance, especially if this is to be in

⁷¹ *Ibid*

⁷² *ibid.*

genuine partnership with central government, arguably requires some bold advances to be made that could come with the grant of a power of general competence.

3.6 Conclusion

The good governance strategies in the Ninth Plan support all ideas of decentralisation, power of general competence and participation which are the keys of local government towards democratisation.

The Ninth Plan has made many references to public participation. The Plan set out that local governments will establish political maturity in the public domain. The local people will participate in local politics and administration as well as compete in a democratic manner. The public will also have the experience of keeping an eye on local interests, and take part in local elections. Also, local governments stay closer to the general public to communicate on policy and monitor local politicians' work. Moreover, strong local governments can deter the dictatorship of a central government as the more there is participation in local government, the stronger the other political institutions at the local level are such as political parties. This makes it difficult for central government to control the other sectors of society because politics in the local scene has its own distinction and yet involves national agenda in many aspects. Local politics adds colourful and lively recognition in the political system as a whole. This consistent political engagement leads to democratic politics.⁷³ Local politics paves the way for local newcomers to devote themselves to these public activities and to realise the effects of local government for public betterment.

Participation in the Ninth Plan is also a key to success in empowering grassroots communities. Local administrative system will be quickly restructured through a process of popular participation so that the grassroots economies will be stronger and more self-reliant. Employment opportunities will be created, income will be raised and poverty will be eased.⁷⁴ At this point, the Plan makes it clear that the main objective of empowering grassroots is to strengthen grassroots economic and making communities more liveable, then people will have better and happier lives.⁷⁵ The guideline of this objective uses a participatory approach by encouraging local people to increasingly share responsibility in local development and problem alleviation. They should have the capability to keep pace with changes, and should serve as a strong foundation of the entire society, by: promoting the formation of community organizations and civil society, and using key facilitators from

⁷³ Uthai Hiranyato, *op cit.*, p.35.

⁷⁴ *The Ninth National Economic and Social Development Plan*, p.49.

⁷⁵ *ibid*, p.50

all sectors of society. Forums should be held to create common understanding and to enhance joint learning processes so local people will be able to continuously engage in joint activities. Community learning processes should be diversified, enabling local people to obtain basic education that is in line with their own potential, and the local wisdom and culture. Practical knowledge and occupational training should be provided, together with all facilities needed to help local people interact with a fast changing world. The Plan aims to build local network by asking local educational institutions to serve as the core agency to document and disseminate local knowledge in the local areas, and to conduct research in collaboration with local communities. They should prepare a community plan indicating settlement patterns, social capital, as well as economic and natural resources. Also, a community database, and development indicators to monitor success of community activities, should be established. Finally, the Ninth Plan seeks to encourage local communities to formulate their own action plan based on a participatory approach. Existing potential should be analysed in order to identify activities that are consistent with local capacity and resources. Local resources, for instance, revolving funds, should be mobilized in support of local activities, with support from external sources for those activities that exceed local capability.

The above guidelines of participation would be adaptable if a central government is supportive, then local leadership will gradually become mature and the greater involvement in local activities lead directly to local development. It is important that efforts and sincerity prevail in the coordination between central and local government to improve local administration with an aim toward national development as a whole. It is admitted that regional development is a difficult task for a local government in the real situation because the autonomy of a local government is inconsistent and often interrupted. Local government, most of the time, lacks of power of general competence to be able to exercise an independent decision-making ability.

However, a part of the power of general competence has been mentioned in the good governance guideline of the Ninth Plan. It is pointed out that local authority capacity for revenue development and collection should be upgrade. Nonetheless, there is no detail or implementation for this guideline.

The Ninth Plan acknowledges often that decentralisation has to be a part of positive driving focus for human resource and social development in society such as education reforms, legislation new health law, the decentralisation of administrative power of local area and stronger roles for civic society.⁷⁶ The scope of decentralisation and level

⁷⁶ *The Ninth National Economic and Social Development Plan*, pp.37-38.

of the public educational background are two major issues critical to the success or failure of decentralisation and have often been cited as a hindrance to democratic reforms. Local government plays a significant role as a political foundation for democracy and as a burden-relief mechanism for the self-solving of local problems in terms of personnel, budget and general administration.

In the policy-making processes, local government is better able to represent its community more than central government, and its representatives have more control over local policy-making. They are brought into direct contact with specialists and professional officials who are themselves more visible and responsive to the local community than their central government. The structure and processes of local government policy-making enables elected representatives to direct both policy and administration, including finance, to meet local needs and conditions. Local government is also open to its public who are provided with more information about the activities and performance of their local authority, and have many opportunities to participate in the policy process themselves and to challenge decisions through the courts and at audit. A shift of functions and responsibility to central government would destroy major democratic checks on bureaucracy.

It is not easy to say whether the decentralisation proposed by the Ninth Plan would work in local government. Decentralisation is no different from other public policies in its resistance to evaluation. If it is to be evaluated according to how well it achieves its goals, then these goals are often multiple, inconsistent, unstated or simply unclear. They include things like equity, justice, and fairness, which are hard to define, let alone measure. The goals may change during the life of the policy while the time they take to be achieved may be extended, so that evaluation can be postponed. Outside events can be blamed for failure, while what would have happened without the policy is unknowable.

Implementation of decentralisation policies has sometimes been resisted by the bureaucracy while the power of general competence has not been fully granted. The force general statements of policy has sometimes been dissipated against the grain of routine administration.⁷⁷ Central government has found it easier to create, staff and even fund an additional tier of local government, than to reform, restrain or reduce central departments. There is an example of this issue in the Ninth Plan, where the strategies of good governance have obvious objectives to implement the decentralisation process by allowing local administrations to play a greater role in local development. The good governance proposals are concerned with how to deal with corruption and the inadequacies of the

⁷⁷ Larmour & Qalo, *op cit.*, p.371.

existing management mechanism. The Plan set out a top priority to reform the public sector which should be lean and offer a high quality service. However, it shows the bureaucratic system by mentioning that its budgeting system should be sufficient, flexible and consistent with national policies and plan. Meanwhile, the good governance guideline referred to the government's existing service delivery system should be adjusted by allowing for greater decentralisation of administrative authority. There is explicitly the contrast here that the government offered the local authority but budget system needs to consistent with the central government policies.⁷⁸

Therefore, much of the current unease and criticism arises because so much is known about the performance of local government. Because it is so visible it is more exposed to attack, while the centre is able to conceal its shortcomings in ways not available to local government. Where local authorities are said to have misbehaved, the solution is rather the public should make use of the many channels that exist locally to constrain local councils to be responsive to their wishes.

Although decentralisation and participation are central to the Ninth National Economic and Social Development Plan, it is not clear that the strategy of the Plan would achieve the good governance targets set. Decentralisation has been repeated many times in the vision, target and strategies of the Ninth Plan along with the opportunity for participation. The Plan seeks to build decentralisation and participation in terms of local administration, but does not have much to say about the role of central government agencies towards these areas. The Plan does not point out clearly that the main focus in its management proposals is based on popular participation. Even if the implementation of the Plan has guidelines to accelerate improvement function and roles of central agencies, there is no further action to translate what should be the legal base of any authority. Many questions follow about local government administration and its responsibility and authority to manage the local government units and development, including the introduction of a casino as an example of local development. The next Chapter outlines local government in Thailand, with a classification of the range of local government units, and provides the details of the organisation structure, responsibilities and administration of the municipality.

⁷⁸ *The Ninth National Economic and Social Development Plan. op.cit.*, pp.28-36.

Chapter 4

Local Government Administration and Local Associations

The proposals in the Ninth National Economic and Social Development Plan were designed to ensure the sustainable development of Thailand. The proposals include many major reforms for local government and organisation in Thailand, and in order to understand the scope of the proposals made for local government and organisation, to assess their significance and to determine the potential for implementing the proposals. This chapter focuses on the existing local government administration in Thailand which firstly outlines the structure of Thai public administration and the conveniences for local government in Thailand. The Chapter goes on outline to the general organisation, structure and the responsibilities of a municipality, as one of the local government units. The problems of the municipality are also discussed later in the Chapter to show the solutions needed to realise the provisions of the Ninth Plan for local government administration.

4.1 Thai Public Administration

Until 1991, the National Public Administration Act provided for three basic levels of public administration in Thailand: central, provincial, and local administration: 1) the central administration consists of 15 ministries; 2) the provincial Administration is the channel through which the central government delegates some of its powers and authority to its officers who work in provinces and districts. These officers are from various ministries and departments and carry out their work according to laws and regulations assigned by the central government; 3) under local administration, there are limited powers and local people participate in local affairs provided in various laws and regulations.

Local government comprises both regular territorial administrative units and self-governing bodies. Local autonomy is limited, however, by the high degree of centralization of power. The Ministry of Interior controls the policy, personnel, and finances of the local units at the provincial and district levels. Field officials from the ministry as well as other central ministries constitute the majority of administrators at local levels.

In 2004 there were seventy-six provinces, including the metropolitan area of Bangkok, which has provincial status. Each province is under a governor who is assisted by one or more deputy governors, an assistant governor, and officials from various central

ministries, which, except for the Ministry of Foreign Affairs, maintains field staff in the provinces and districts. The governor supervises the overall administration of the province, maintaining law and order, and coordinating the work of ministerial field staff. These field officials carried out the policies and programs of their respective ministries as line administrators and also serve as technical advisers to the governor. Although these officials are responsible to the governor in theory, in practice they report to their own ministries in Bangkok and maintain communication with other province-level and district-level field staff.

The governor also is responsible for district and municipal administration, presiding over a provincial council composed of senior officials from the central ministries. The council, which serves in an advisory capacity, meets once a month to transmit central government directives to the district administrators. Apart from the council, an elected provincial assembly exercises limited legislative oversight over provincial affairs.

District administration is under the charge of a district officer appointed by the minister of interior and reports to the provincial governor. Larger districts can be divided into two or more sub-districts, each under an assistant district officer. The district or the sub-district is usually the only point of contact between the central authority and the populace; the central government has no appointed civil service officials below this level.

The district officer's duties as overseer of the laws and policies of the central government are extensive. He supervises the collection of taxes, keeps basic registers and vital statistics, registers schoolchildren and aliens, administers local elections at the commune and village levels, and coordinates the activities of field officials from Bangkok. Additionally, the district officer convenes monthly meetings of the headmen of the communes and villages to inform them of government policies and instruct them on the implementation of these policies. As the chief magistrate of the district, he also is responsible for arbitration in land disputes; many villagers refer such disputes to the district officer rather than to a regular court.

The commune is the next level below the district. About nine contiguous natural villages are grouped into one commune whose residents elect a headman from among the village headmen within the commune. The commune chief is not a regular government official, but because of his semi-official status, he is confirmed in office by the provincial governor. He is also entitled to wear an official uniform and receive a monthly stipend. Assisted by a small locally recruited staff, the headman record vital statistics, helps the district officer collect taxes, supervises the work of village headmen, and submits periodic reports to the district officer.

Below the commune level is the village government. Each village elects a headman, who generally serves as the middleman between villagers and the district administration. The headman's other duties include attending meetings at the district headquarters, keeping village records, arbitrating minor civil disputes, and serving as village peace officer. Generally the headman serves five years or longer and receives a monthly stipend. In the 1980s, the importance of a village headman seemed to be declining as the authority of the central government expanded steadily through the provincial and local administrations.

Municipalities in Thailand include Bangkok, seventy-six cities serving as provincial capitals, and some large district towns. According to the 2002 census, municipalities had a combined population of 7.6 million, or about 17 percent of the national total. The municipalities consisted of districts, towns, and cities, depending on population. Municipal residents elect mayors and twelve to twenty-four municipal assemblymen; the assemblymen choose two to four councillors from among their number who, together with the mayors, make up executive councils.

At the next lower level of local government, every district has at least one sanitation district committee, usually in the district capital. This committee's purpose is to provide services such as refuse collection, water and sewage facilities, recreation, and road maintenance. The committee is run by members headed by the district officer. Like municipalities, the sanitation districts are financially and administratively dependent on the government, notably the district administration.¹

In theory, the municipal authorities are self-governing, but in practice municipal government is an administrative arm of the central and provincial authorities with the Ministry of Interior having effective control over municipal affairs through the provincial administration, which has the authority to dissolve municipal assemblies and executive councils. Moreover, such key officials as the municipal clerk and section chiefs are recruited, assigned, and retired by the ministry, which also has the power to control and supervise the fiscal affairs of the perennially deficit-ridden municipalities. The detail of municipality administration and responsibilities will be outlined in section 4.3 of this Chapter.

¹ [Http://www.countrystudies.us/thailand/78.htm](http://www.countrystudies.us/thailand/78.htm), 28 June 2004.

4.2 Local Government

Under the Public Administration Act of 1991, local government administration in Thailand is based upon the concept of decentralisation which allows local people to participate in the local government process under concerned laws and regulations. The Act provides that any local community where the people can participate in their local government shall organise its local government's administration system. Local activities in which people can participate are those activities which will fulfil only their needs in specific areas such as water supply, infrastructure and local communications. Since these are local activities which aim at local benefits and in increasing local people's participation, the form of administration and organisation of government will differ from those of the central and provincial administration.

The function of local government is to promote public awareness and involvement in local administration. Local government institutions are also the basis for creating a public sense of belonging in local properties and interests which should lead to a growing trust in democratic regimes.² The general public have the opportunity to vote for executive and legislative members on their own judgment. Elected local politicians will get better acquainted with local public services as well as citizen's rights and responsibilities which lead to a better understanding of the national scene.

Furthermore, local government institutions provide the forum for local self-rule experience; a key factor in democracy. It is the channel through which the people voice their grievances and the elected administrators listen and respond to public requests. The public can demonstrate their contention by means of referendums, recall or other methods to get involved in the local problem solving process.³

According to the above, local government institutions can relieve the central government's burden as it is generally established with such major needs as:

- The comprehensives of the central government responsibility are ever increasing according to urban expansion.
- The central government may not be able to fulfil the local public needs due to different circumstances. The standardisation of services proves to be an ineffective solution to multi- perspective local problems. Besides, local people tend to comprehend and tackle their problems in a more realistic way. Local people, therefore, are the suitable choice for local matters.

² Chusak Thiangtrong, *The Administration of Local Government in Thailand*, Bangkok, Silkroad, 1995, pp.6-7.

³ Chuwong Chayabutra, *Local Government in Thailand*. Bangkok, Phare Pittiya, 1997, p.14.

- Some activities are solely local matters and do not affect national interest. These activities should be handled by local government.⁴

Without local government, it is difficult for a central government to carry out various tasks pertaining to local needs. Even if a central government could bear all the burdens, it is yet doubtful whether it could thoroughly fulfil different local demands in different localities. Local governments are thus established to upgrade local standards for a better quality of life. A central government is bound to take care of major obligations which are of national interest. On the other hand, local government can effectively respond to local needs due to differences in geography, culture, population and resource backgrounds as well as related problems. There is no need for hierarchical approval or waiting for decisions. Its process will be shortened to save time and budget.⁵

Local government institutes are also useful in that they are the sources for local leadership learning grounds as a preparation for young politicians to go on and engage in politics at the national level. Local politicians gain experience and train younger generations through elections, political participation and administration. There are a few prominent local mayors or municipal council members who later become national politicians.

One major obstacle for political and socio-economic development in local government is public participation. It is to be achieved by local self-initiative cooperation. With the autonomous organisation resulting from a decentralisation policy, local rural development needs to be two-way participation instead of a top-down process.⁶

The concept of decentralisation and democratic participation which has been the main focus in the Ninth Plan is also expected to support local self-sufficiency in any activity focusing on free and fair actions in both political and administrative organisation as well as popular participation. Therefore, Utai⁷ tries to relate the significance and divides the components of Thai local government into eight factors:

- 1) It has the legal status that has been established by constitution which signifies its existence to be stronger than those by other laws.

⁴ *ibid.* pp.16-22.

⁵ Chusak Thiangtrong, *op cit.*, p.32.

⁶ Prathan Kongrithisaksakorn, *op cit.*, pp.44-45.

⁷ Uthai Hiranyato, *Local Government*, Bangkok, Siam Printing, 1994, pp.16-22.

- 2) The area and level of local government can be indicated by geographic, historical, racial, political maturity and several other factors. Generally, the criteria for classification of local governments into small or large scale are based on the capacity of service management and the number of the population. According to studies done by the United Nations' FAO, UNESCO, WHO and Bureau of Social Affairs, it is agreed that an approximate area for a local government to render services efficiently should cover 50,000 people and must at least be versatile in revenue collection and personnel administration.
- 3) The delegation of authority as assigned by central government policy.
- 4) Jurist entity status as a separate administrative body from the central government, with specific boundaries and abilities to issue local regulations as well as to carry out locally initiated projects.
- 5) Elections are necessary so that all or most members of a local government's executive or councillors are elected by the local citizens. This is the way of political participation.
- 6) A local government has the autonomy to make its own decisions within jurisdiction and without waiting for the central governments' consent.
- 7) A local government is empowered to handle its own revenue collection under its jurisdiction.
- 8) A local government is subjected to central government supervision to a certain degree so that the national sovereign will be maintained. Local government is granted quasi-autonomous authority.⁸

There is some agreement in the Ninth Plan related to these eight factors. A target of the Plan is to increase the capabilities and opportunities of local organisations to develop independent sources of income. Proper systems would be established to increase efficiency and transparency in order to increase the administrative power.⁹ However, the implementation as the eighth factor is not clear in the guideline of the Plan. Meanwhile, the central government had initiated the above factors to be a National Committee on Local Administration Restructure by the Prime Minister's Office on 11th December 1992. It was intended to provide a forum for restructuring the Thai local government systems and to find an appropriate solution on such matters as local government organisation, functions, and

⁸ *ibid.*

⁹ Office of the National Economic and Social Development Board, *The Ninth National Economic and Social Development Plan*, p.28.

responsibilities, finance and budgeting, as well as relationships among the different layers of government. The National Committee classified local government as:

1. An organisation with legal entity and political statute status.
2. Having elected legislative and executive bodies according to written constitution.
3. Having autonomy.
4. Having a specific and suitable boundary.
5. Having its own sufficient revenue.
6. Having locally recruited personnel.
7. Having the authority to perform public services.
8. Having the ability to issue local by-laws and regulations.
9. Having a relationship with the central government by holding an auxiliary position.¹⁰

It can be inferred from the above significant factors that a local government is a community which has a certain degree of growth, population, territory or density. It is a characteristic of local governments that it is autonomous in performing local works within its jurisdiction. The degree of autonomy must not exceed the sovereignty of central government but may differ based on its level of development and local potentiality together with the central government's policy on decentralisation. For management systems, local government unit has a legal right to carry out its own administration. Such legal rights can be classified as the right to issue by-laws, regulations or codes of conduct in the local territory and the right to administrate local matters, particularly to plan on budgeting. To practice those, local government needs its own organisation with executive and legislative branches. A municipality, for instance, has a municipal board or committee as an executive branch and a municipal council as a legislative branch.

Finally, the participation of local people is the most important aspect for local government as it is generally agreed that local people know their own problems and probably the solution to them. Local people will be able, therefore to take part in activities themselves or to monitor the local government's tasks so as to fulfil all public demands and to open the opportunity for democratic, political and local development.

¹⁰ Prime Minister's Office, *Report of the National Committee on Local Administration Restructure*, 1992.

This thesis takes as local government unit: the municipality and its administration as the focus in pursuit of development in line with the theme of the National Development Plan outlined in Chapter 2. Municipal management has both executive and legislative bodies in local government. The legislative body shows a form of self government whereby the local people can elect their own representatives for the policy making in local affairs. The executive body is the one that carries out policies made by the legislative body. Moreover, the character of municipal administration is distinctive as it has a judicial status which gives it the power and authority to legislate and perform duties under law, and it also has its own revenue for performing the duties. Furthermore, there is an election for the executive and legislative members as the representatives of the local people and there is a certain element of freedom in its administration with minor control from the central government.

4.3 A Local Government Unit: Municipality

The Municipality in Thailand is one of the units of local government administration which enables local people to participate in their local affairs. The national administration was promulgated in 1933. By the effect of this law, a municipality was defined as a form of local government. Along with the promulgation of this law was the promulgation of the Municipality Act 1933 which was the first law regulating the organisation of the municipality. However, this law has been revised several times and was replaced by the Municipal Act 1953 which abolished all previous laws concerning the administration of municipality.

By the provisions of the law, the criterion for the establishment of a municipality was stipulated specifying that three factors must be considered before establishing a municipality in any locality: 1) the number and density of population; 2) the level of economic growth of revenue collected by the local government in its capacity as fixed by the law; and 3) the size of the expenditure for carrying out its functions and the potentiality of that locality for development.¹¹

¹¹ *Municipal Act*, 1953, Article 62.

4.3.1 General Organisation of Municipality

According to the above criteria, there is a law classifying a municipality into three classes, namely:

1. Sub-district Municipality

This municipality has to meet four requirements before being established which are:

- an annual income rate excluding subsidy of over 12,000,000 baht.
- a population of not less than 7,000
- a density of population per square kilometre of not less than 1,500:1.
- a proposal for the establishment of the municipality must be endorsed by the people of the locality.¹²

In the case of an emergency, such as the necessity for construction control, slum upgrading, environmental preservation, local development or promotion of local government in the form of a municipality, the Minister of Interior can elevate any of these issues.

2. Town Municipality¹³

The locality which is designated as town municipality has to meet four requirements before being established as follows:

- a population of not less than 10,000
- a density of population per square kilometre of not less than 3,000:1
- sufficient revenue for the discharge of stipend duties
- a Town Municipality must be established by the Royal Decree

3. City Municipality¹⁴

The area which is to be elevated to become a city municipality has to meet four requirements before being established as follows:

- a population of not less than 50,000
- a density of population per square kilometre of not less than 3,000:1
- sufficient revenue for the discharge of stipend duties
- City Municipality must be established by the Royal Decree

¹² *ibid.*

¹³ *ibid.*

¹⁴ *ibid.*

The Municipal Act 1953¹⁵ stipulates that a municipality is comprised of a municipal council and municipal executive board. In practice, municipal career officials constitute one part of the municipal administration.

1) Municipal Council

Initially, the Municipal Act 1953 provided that the municipal council be comprised of two types of members. The first type consisted of members of the municipal council who were directly elected by the eligible voters of the municipality, with the second type members appointed by the Minister of the Interior. The total numbers of members of a municipal council was split equally between the two types. There were categories of municipal councils such as:

- Sub-district municipal council which comprised 12 members.
- Town municipal council which comprised 18 members.
- City municipal council which comprised 24 members.

In 1956 the amendment to the Municipal Act abolished the second type of municipal council membership. Since that time only members who are directly elected by the eligible voters of the municipality constitute the municipal council. The provisions of the municipal council electoral procedure the 1953 Act stipulates that members of a municipal council will have a five-year-term in office and can be re-elected.

A municipal council comprises of a Chairman and a Vice-Chairman appointed by the provincial Governor with the approval of the majority of members of a municipal council. This indirect election means that the provincial Governor has to convene the first meeting of municipal council within 90 days after the election of members of a municipal council. The meeting then elects a Chairman and Vice-Chairman from among the members of municipal council who have to perform their duties according to the municipal rule of procedure, maintain order during the meeting sessions and represent the municipal council in dealing with external matters. Details of their responsibilities will be presented later in this chapter.

2) Municipal Executive Board

The executive of a municipality refers to a municipal executive board and comprises a Mayor and two to four Deputy Mayors according to the legal status of that municipality i.e. a town municipality and a sub-district municipality will have two Deputy Mayors. In addition, a town municipality with a locally collected annual revenue of over 20

¹⁵ *ibid.*

million baht will have additional Deputy Mayors and a city municipality will have four Deputy Mayors.¹⁶ Details of their responsibilities will be presented later in this chapter.

3) Municipal Career Officials

Municipal career officials are regular officials of a municipality responsible for the discharge of routine works within or outside the municipal office.¹⁷ Their duties are closely related to the daily life of the people in that municipality due to the fact that municipal duties are inevitable for people from birth to death. The municipal scope of responsibility includes civil registrations, public utilities, education, and security of lives and properties which in particular brings them into close contact with local people. This makes them different from the municipal executive board which is responsible for decision-making whereas implementing the decision is the responsibility of municipal officials under the supervision of the municipal clerk.¹⁸

The criteria for the establishment of municipal administrative units is set out by The Municipal Personnel Commission with the consideration of the level of economic growth and other aspects of the development potentiality of the municipality as well as its quantitative and qualitative performances depending on its scope of responsibility.

In 1993 the Municipal Commission of Thailand approved the criteria for the classification of municipalities with regard to four aspects of a municipal level of development:

1. Administrative
2. Management
3. Economic
4. Education and sub-cultural¹⁹

According to the above criteria, the municipalities are thus classified into 5 categories of class which are responsible for the different organisational structures of these municipalities as follows:

¹⁶ *ibid.*

¹⁷ See the regulation of Municipal Organisational structure 1992 which specifies to 12 divisions in 4.3.2

¹⁸ *ibid.*

¹⁹ Municipal Act 1993, Article 40.

1) Class 1

The municipalities which belong to this class are entitled to establish all divisions as set out in the Minister of Interior Regulation on Municipal Organisation 1992.²⁰ Up until now, there are three municipalities namely *Chiang Mai City Municipality*, *Had Yai City Municipality*, and *Nonthaburi City Municipality* which are qualified to establish the Bureau of Public works.

2) Class 2-5

The municipalities which belong to this class are not authorised to set up some divisions such as class 2 is not qualified to establish the Bureau of Public works (division F) and municipal districts (division L). Class 3-4 municipalities are prohibited from establishing the Bureau of Public works, municipal districts and Social Welfare Division, plus Class 5 municipalities are without the Bureau of Public work municipal districts, Social Welfare Division and Technical Services and Planning Division (division H).

In conclusion, a municipality is composed of the municipal council, the municipal executive board and the municipal career officials, each of which have different responsibilities. The chief executive is the mayor whereas the clerk is the superintendent of all municipal career officials who carry out routine works.

4.3.2 The Scope of Responsibility of the Municipal Board of Executives

At present, The Minister of Interior has issued a Regulation of Municipal Organisational Structure 1992 specifying that 12 divisions may be established in a municipality:

- a) The office of the Municipal Clerk which comprises of the
 - Subdivision of General Administration which is further subdivided into personnel administration section and municipal enterprises control section.
 - Subdivision of Local Administration which is further subdivided into civil registration section, disaster prevention and relief section, and law and order section.
 - Clerical works section.
- b) The water Supply Division which comprises of the
 - Subdivision of Production and Distribution which is further subdivided into production section, sales and services section and water meter section.

²⁰ See the 12 divisions outlined in Chapter 4.3.2.

- Subdivision of Finance and Accounting which is further subdivided into finance and accounting section, collection section, supplies section.

- Clerical works section.

c) The medical Services Division which comprises of the

- Subdivision of Medical Services which is further subdivided into technical services and planning section, pharmaceutical section, dental hygiene section and investigation and radiography section.

- Subdivision of nursing which is further subdivided into out-reach health services section, outpatient and accident section, inpatient and delivery section, and surgery and anaesthetisation section.

- Subdivision of public health centres which is subdivided into many public health centres such as clerical work section and finance and accounting section.

d) The education Division which comprises of the

- Subdivision of education administration which is further subdivided into personnel administration section, academic administration section, finance section and school affairs section.

- Subdivision of educational development which is further subdivided into educational supervision, student affairs section, child and youth and non-formal school section.

- Clerical work section.

e) The division of Finance which comprises of the

- Subdivision of financial resource development which is further subdivided into financial resources development section, property development section and collection section.

- Subdivision of local finance management which is further subdivided into finance and accounting systems, supplies and property section and financial and statistics section.

- Subdivision of taxation mapping and property registration which is further subdivided into taxation mapping section, property registration section, taxation mapping and property registration information services section.

- Clerical works section.

f) The bureau or Division of public works which comprises of the

- Bureau which is further subdivided into building and city planning control subdivision, construction control division and subdivision, public works subdivision or division and sanitary district engineer subdivision or division.

- Subdivision or division of civil works which is further subdivided into building control subdivision such as engineering, architectural and city planning section, public work and clerical work section.

g) the sanitary Work Division which comprises of the

- Subdivision of garbage and waste disposal which is further subdivided into garbage and waste disposal section, mechanical engineering and maintenance section and garbage and waste disposable and incineration plant section.

- Subdivision of wastewater treatment which is further subdivided into building control section, waste water control and treatment section, maintenance and repair section and water quality analysis section.

- Financial section.

- Clerical works section.

h) The technical Service and Planning Division which comprises of the

- Planning and policy analysis section.

- Research and evaluation section.

- Legal affairs section.

- Public relations section.

- Budgeting section.

- Clerical works section.

i) The social Welfare Division which comprises of the

- Social work section.

- Child and youth welfare section.

- Community development section.

- Clerical works section.

j) The division of Sanitation and Environment which comprises of the

- Subdivision of public health administration which is further subdivided into public health planning section, sanitation and environmental health section, cleaning section and health information and training section.

- Subdivision of public health service and promotion which is further subdivided into health promotion section, communicable disease prevention and control section and veterinary section.

- Clerical works section.

k) The internal Audit Division which is responsible for auditing reviewing and approving financial matters before making recommendations to the municipal clerk as well as supervising other designated matter comprises of the

- Accounting, registration and other financial related documents audit section.

- Disbursement and reimbursement documents audit section.
- Receipt book audit section.
- Taxation internal and external audit section.
- Supplies and maintenance audit section.
- Municipal property audit section.
- Municipal profit-making audit section.

l) Municipal Districts

Large sized municipalities may be divided into several districts to alleviate the administration burden of the municipal office or to accommodate potential economic growth of the municipalities. A municipal comprises of the

- Municipal district office
- Education section
- Finance section
- Social welfare section
- Public works section
- Water supply section
- Public health section ²¹

The municipal board of executives as the highest decision makers of the municipality is empowered to carry out municipal activities specified by laws to be in accordance with the municipal policy and its allocated annual budget. However, the power of the municipal board of executives is under the control of the municipal council.

However, there is a wide range of municipal functions specified by laws regulating the municipality on whether functions are to be carried out within the municipal jurisdiction or outside the jurisdiction of the municipality. This, therefore widely expands the scope of the responsibility of the municipal board of executives according to the level of economic growth of the municipality and the country. However, in a nutshell, the main duties of the municipal board of executives at present can be categorised into three groups of activities:

- the duty to control and be responsible for the general administration of the municipality as specified by the municipality itself.

- the duty to settle the case when the offender violates a local ordinance. In this case, any deputy mayor can be authorised to fine the offender to settle the case. The settlement of the case must be publicised in the royal gazette. Moreover, for the sake of the

²¹ *Municipal Act*, 1992, Article 16.

case itself, the mayor or deputy mayor can summon the offender and eyewitness for interrogation before recording their testimony for reference in the case.

- the duty to perform functions specified by the Local Administration Act which stipulates that the municipal board of executives has to perform the duties as headman of the sub-district or village within the municipal area or to perform other functions as specified by the regulations of the Minister of Interior.²²

For the effectiveness of the performance of their duties, the responsibility of the mayor and deputy mayors is therefore split on the following lines.²³

1. The mayor is responsible for decision-making and administration of matters:
 - relating to the municipal council or its individual members;
 - to be reported to the district office or provincial administration office or the Minister of Interior according to the case;

- which are specified by laws or regulations as duties which fall within the scope of responsibility of the municipal board of executives;

- relevant to the issuance or abrogation or ordinance or the amendment to the existing ordinance;

- concerning new ideas which have to be accommodated by any new project or programme or regulation;

- considered by the town clerk as a problem or special case that should be decided by the mayor himself;

- specified as the direct responsibility of the mayor;

- the town clerk deems due to be reported to the mayor for his acknowledgment

2. The deputy mayor is empowered to make the decision on or administer the following:²⁴

- matters assigned to him by the municipal board of executives or the mayor;

- matters to be reported directly to the mayor;

- matters specified by laws or regulations as the duty of the deputy mayor.

Furthermore, in case of incapacity or absence on the part of the mayor, a deputy mayor can be appointed to be in charge but the mayor has to notify the provincial government of such an appointment.²⁵

²² Municipal Act 1989, Article 36.

²³ *ibid.*

²⁴ *ibid.*

²⁵ Prayad Hongthongkam, *System of Thai Local Government*, Bangkok, Dok Ya, 1989, pp.18-32.

4.3.3 Responsibilities of the Municipality

The municipal council is the legislative body which is responsible for the formulation of a municipal policy or public service delivery and the approval of an annual budget for the municipal board of executives to carry out the administrative functions. Moreover, the responsibility includes overseeing the performance of the municipal board of executives to be in accordance with legal provisions, policy and the will of the people in the municipal jurisdiction.²⁶

However, after considering the scope of responsibility of the municipal council in detail, a conclusion may be reached that the municipal council is entrusted with the power to carry out four main functions such as:

1) *The power to issue ordinances.* Ordinance of local policies is a by-law issued by the municipal council to be enforced in the jurisdiction of that municipality. The purposes of issuing an ordinance are to authorise the municipality to carry out its statutory duties according to laws concerning the performance of the municipality and to accommodate the law authorising the municipality to issue the ordinance in accordance with such laws.

The draft ordinance may be proposed by the municipal board of executives or individual members of the municipal council. For a draft finance-related ordinance, it must be first acknowledged by the mayor before being proposed due to the mayor's responsibility for the administration of municipal finance and budget.

When a draft ordinance is submitted to the municipal council, it will be deliberated in three readings as follows:

- The first reading is for the adoption or rejection of the principle of the proposed draft ordinance
- The second reading is for the deliberation on minute details of the draft ordinance item by item
- The third reading is for voting for or against the proposed draft ordinance.

In case of an emergency, the municipal council may deliberate on a draft ordinance in three readings in a role normally expected for finance-related draft ordinance which must be deliberated in three compulsory readings due to the importance of financial matters which demands careful discretion for the optimal common benefit of the municipal inhabitants.

Any draft ordinance which has already been approved by the municipal council must be submitted further by the chairman of the municipal council to the provincial governor or the district chief officer for the countersignature in approval of the draft

²⁶ *ibid.* Article 41.

ordinance within 15 days. If the provincial governor or district chief officer, according to the case, agrees with the municipal council, the governor must countersign it within 30 days after receiving the draft ordinance from the municipal council. But if the governor disagrees with the draft ordinance, the governor has to send the draft ordinance back to the municipal council along with reasons for disagreement for the reconsideration of the draft ordinance. In this case, if the municipal council concurs with the agreement made by the provincial governor or district chief officer, it has to correct the draft ordinance accordingly before re-submitting it to the authoritative person for final approval. But if the municipal council disagree with the opinion of the provincial governor or district chief officer, it can pass a resolution to confirm its initial intention on the draft ordinance before resubmitting it to the Provincial Governor who will submit it further to the Minister of the Interior for a final decision within 30 days after receiving the draft ordinance from the chairman of the municipal council. The Minister of the Interior has two options in this case on whether to agree with the municipal council and send the draft ordinance back to the provincial governor or district chief officer according to the case for the countersignature in approval of the draft ordinance or to disagree with the provincial governor or district chief officer according to the case and drop the draft ordinance.

The draft ordinance which has already been countersigned by the Governor will come into effect after seven days of its exposure to the public except in case of an emergency and an instant effectiveness of the ordinance which will make it effective from the first day of its public exposure.

Moreover, in case of an emergency, the municipal board of executives may issue temporary ordinances which will be effective after being approved by the provincial governor and exposed to the public through the notice board on the municipal office. It is compulsory for the temporary ordinance to be approved by the municipal council in the following session. If it is approved by the municipal council, then it will be permanently effective but if the municipal council disapprove it, the temporary ordinance will be dropped but this action will not affect any matter previously dealt with while the temporary ordinance was put in force. An ordinance approving or disapproving of the temporary ordinance has to be issued by the municipal council.

2) *The power to control the executive*²⁷

The municipal council exercises its power to control the executive through 3 main mechanisms such as interpolation, debate and approval of annual budget.

²⁷ See detail of Board of Executive in 4.3.2

The interpolation

Members of the municipal council are entitled to raise questions concerning the performance of the municipal board of executive or its individual members. If any member of the municipal council suspects the ability of the municipal board of executive or its individual members or considers that the performance of the executive may be detrimental to the benefit of the local government or of the local people, that member can demand the mayor or deputy mayor to answer the questions posed until the point is clarified. However, the executive reserves the right not to answer any interpolation if it considers the answer to entail danger or to be detrimental to the benefit of the municipality.²⁸

The debate

The Municipal Act 1953 stipulates that Members of the Municipal Council are given the right to move a motion for the convocation of the Municipal Council meeting for the vote-of-no-confidence against the municipal board of executives under the following conditions:

- 1) the motion for the convocation of the Municipal Council for the vote-of-no-confidence must be based on these accusations : the act in violation of law and order or threatening public security, negligence of duty, malfeasance or abuse of authority and depraved conduct which will entail degradation of the prestige of the municipality itself or its individual officials;
- 2) the request of the convocation of the Municipal Council for the debate against the municipal board of executive or its individual members must be endorsed by no less than one third of the municipal members who collectively submit it to the district chief officer or provincial governor for consideration whether to convene the meeting or not. If the district officer or the governor considers it appropriate, the governor will convene the meeting of the Municipal Council and the municipal board of executive which will be chaired by the district officer or the governor accordingly. Such meeting must be conducted as a secret meeting with a secret vote;
- 3) the meeting must be conducted according to the regulation on procedure of the meeting of the Municipal Council on condition that the quorum must comprise not less than two thirds of its incumbent members;

²⁸ Ministry of Interior and Australian International Development Assistance Bureau, *op cit.*, pp.30-41.

- 4) the meeting must allow its members to debate all issues before. This means that an untimely closure of the meeting is prohibited. At the end of the debate the chairman of the meeting has to propose to the meeting for the decision by absolute majority on whether to submit the matter further to the Minister of Interior or not. If the majority of the meeting decide that it is appropriate to do so, then the chairman has to submit the motions along with the minutes of the meeting and the comments of the chairman further to the Minister of Interior. But if the absolute majority of the meeting considers it inappropriate to do so then the chairman has to report the situation to the Minister of Interior;
- 5) The Minister of Interior, after receiving the report on the matter from the district chief officer or provincial governor, has to decide whether to drop the matter on the grounds that it is trivial and then notify the district or province or municipality of his decision or order the municipal board of executive or its individual members who are found guilty to resign with or without prior investigation.²⁹

The approval of the annual budget

The municipal board of executive is required to submit its annual budget plan to the Municipal Council for approval before implementing the planned activities. The rationale for this action is that as a representative of the people in the locality, the municipal council should have control over the collection of local revenue and the expenditure of the municipal budget to be in accordance with laws and regulations and the needs of the local people. The municipal board of executive has to resign if the municipal council disapproves of the principle of its proposed municipal annual budget on whatever grounds.

3) The right to endorse the appointment of the municipal board of executives

The Municipal Act 1991 stipulates that “the provincial governor appoints one member of the Municipal Council as a mayor and others as Deputy Mayors with the approval of the Municipal Council”. Judging from this context, it is obvious that the Municipal Council is empowered by law to appoint the municipal board of executive which in practice must be subject³⁰ whenever a new municipal board of executive is appointed. the provincial Governor has to convene the meeting of the Municipal Council to select an

²⁹ *Ibid*

³⁰ Municipal Act 1991, Article 16.

appropriate member of the Municipal Council as the Mayor along with a number of other members of the municipal council as specified by relevant laws as deputy mayors. The provincial Governor has to nominate the persons to the Municipal Council for its approval. The nominee who is approved by absolute majority of the members of the Municipal Council is then appointed to the specific position. The other condition will be subject after the winning approval of the Municipal Council. The provincial Governor will then announce the appointment of the Mayor and Deputy Mayor to the public to acknowledge their authority in the administration of that municipality.

4) The power to establish the municipal committee

The Municipal Council is empowered to establish two kinds of municipal committees to facilitate the implementation of its tasks.

The regular standing committee

This committee comprises members selected by the Municipal Council. However, according to the regulation issued by the Minister of Interior, the Municipal Council is allowed to establish no more than two standing committees and the number of the members of each committee is limited to no more than five in the case of the city municipality and no more than three members in the case of the town municipality and sub-district municipality.

Special committee

The special committee is comprised of members of the Municipal Council or others who are qualified persons selected to these positions by the Municipal Council. The number and composition of the special committee are subject to the same regulation which is applied to the establishment of the standing committee as mentioned above.³¹

Generally, the term of membership of the standing committee is one year. When the Municipal Council convenes its first session of annual regular meetings of the first year, it will take this opportunity to appoint members of every standing committee to carry out the tasks assigned to it by the Municipal Council. When the Municipal Council is required to convene its regular meeting of the second year, members of the standing committee will be appointed. Any person can be selected as appointed members of the standing committee whereas members of the special committee will be appointed only if there is a special task to be assigned to them by the Municipal Council and when the special committee has fulfilled its special task, it will then be dissolved.

³¹ *ibid.* Article 17.

4.4 Municipality Administration

The Ninth Plan is calling for decentralisation and authority for local administrative. As will be shown in this section the administration system of local government is still under the control of the central government agencies. The topic touches on three issues of municipal administration which include general, personnel and financial administration.

1) General Administration³²

Municipality is a form of local government unit which represents the local people in the municipal area. The municipality is administered by locally elected representatives of the local people. The number of municipal representatives depends on the class of the municipality which comprises the municipal board of executives and the Municipal Council.

A branch of the municipal administration is responsible for the formulation of local development plans and is in charge of the administrative affairs of the municipality. The municipal board of executives is headed by a mayor who is also entrusted with the same responsibilities as village headman and sub-district headman as stipulated by the provisions of the Local Administration Act 1992 and other laws concerning this. These responsibilities include crime prevention, educating the local people and providing welfare.

After considering the scope of responsibilities of the municipal board of executives, it is evident that the municipal board of executives has to perform duties both as a local government when it carries out municipal functions and as an agent of national administration when it performs certain functions at the same time. The administrative tool of the municipal board of executives is the ordinance which is a by-law of the municipality. The main tasks of the municipal board of executives are the submission of the draft of the annual budget plan of the municipality to the Municipal Council and the supervision of the performance of municipal agencies to be in line with the municipal policy. Each Deputy Mayor is assigned to be in charge of a certain group of municipal agencies or departments, whereas the municipal clerk who is appointed by the Minister of Interior takes charge of the routine jobs of the municipality and is subject to the supervision of the municipal board of executive which on the other hand gets advice from the clerk in formulating the municipal policy. The municipal board of executives has to administer the municipality according to the ordinance or, in other words, the resolution of the Municipal Council.

³² Municipal Act 1991, Article 39-40.

A Municipal Council is the legislative body of the municipality. It has the power to issue ordinances or by-laws which must not be contradictory to the law of the country. The municipal ordinance applies to all people living in the municipal area. The most important function of the Municipal Council is the approval of the annual budget of the municipality. By exercising this power, the Municipal Council can control the municipal board of executives. The adoption of the proposed annual budget principle means the approval of the municipal annual action plan. If the Municipal Council rejects the budget plan proposed by the municipal board of executives, the board has to resign for lack of support from the Municipal Council. However, the resignation of the municipal board of executives is subject to condition that the provincial governor must concur with the Municipal Council's decision on that matter.³³

That process is considered to be in accordance with the principles of democracy which requires people's participation in local government. Thus, the people control the board of executives through the Municipal Council which is the duplication of national parliamentary system. The mechanism through which the Municipal Council operates is the meeting convened by the provincial governor. The first session of the Municipal Council meeting must be held within 90 days after the end of the local election.³⁴

The Municipal Council must convene at least 2 sessions and at most 4 sessions of its regular meetings in the period of a year. Generally, a regular meeting session of the municipality lasts no longer than 15 days but can be extended by the provincial governor who can give permission of such an extension but has no power to close the meeting session of the municipality earlier than the fixed date of its closure. Apart from regular meetings, a special session of the Municipal Council can be convened when at least a half of the number of incumbent members of the municipal council see that it is necessary and in the interest of the municipality itself. In this case, they have to ask the provincial governor to call a special meeting of the Municipal Council which must not last longer than 15 days at a session. However, the permission for the extension of such a meeting can be secured from the provincial Governor on condition that the quorum of the meeting must comprise no less than half the number of its incumbent members which the municipal council is allowed to have. During meeting sessions of the Municipal Council, members are entitled to debate the performance of the municipal offices as far as they are allowed by central government laws to do so. They are also entitled to interpolate the municipal board of executives on matters relating to the performance of its tasks. Furthermore, no less than one

³³ *Municipal Act*, 1953. Article 62.

³⁴ *ibid.*

third of the incumbent members of a Municipal Council can collectively submit the complaint to the district officer or provincial governor requesting the district chief officer or the provincial governor convene a meeting of the Municipal Council and municipal board of executives when they find out that the municipal board of executives or any of its individual members is acting in violation of law and order or public order or good morals, or failing to comply with the laws or is committing an action contrary to its own functions by behaving in such a manner which is considered to be disgraceful or downgrading the prestige of that office, of the municipality of the government service. Upon receiving complaints from such members of the Municipal Council, the district chief officer or the provincial Governor will decide whether to call a meeting of the Municipal Council. If the governor deems it an appropriate reason then the Governor will call the meeting of the Municipal Council and the municipal board of executives for a debate over the complaint and whether to submit it further to the Minister of Interior for their final decision. Such meetings must be presided over by the district chief officer or the provincial Governor according to the case and must be conducted in secrecy which requires a secret vote.³⁵

2) Personnel Management

Municipal personnel comprises of two types of municipal officials:³⁶

- 1) political municipal officials who refer to officials appointed to and relieved of their offices by local politicians. Such municipal officials include members of a Municipal Council and members of the municipal board of executives;
- 2) regular municipal officials which refer to those who are designated by the laws as municipal officials. In this case, the emphasis is put on personnel management of the regular municipal officials in such aspects such as the system and central organisation of the municipal personnel management and the regulation of and the process of municipal personnel management.

3) Financial Administration

The Municipal Act 1955 is the principle law establishing the financial administration system of the municipality which is uniformly applied to the municipalities throughout the country. Due to the fact that the municipality is a form of local government, its autonomy is limited to a certain level. According to this Act, the system and process of municipal financial administration are involved with three important matters.³⁷

³⁵ *ibid.*

³⁶ *ibid.*

³⁷ Municipal Act 1955, Article 71.

The revenue of municipality

Municipalities must have sufficient revenue to carry out their tasks. According to the law, the municipal revenue is derived from these sources:

- taxes
- fees, fines and license duties
- municipal properties
- municipal ownership and utilities
- bonds and loans as specified by the laws
- loans from various agencies of national administration which are subject to permission from municipal councils and the approval of the Minister of Interior
- grant-in-aids from the national administration
- donations
- other sources of revenue as specified by the laws.³⁸

Municipal expenditure

Municipal expenditure is defined in nine budget items as follows:

- salary
- wages
- remuneration
- allowance
- office supplies
- office equipment
- land, building and other properties
- capital expenditure which is subject to endorsement by the municipal council and approval by the provincial governor
- tied expenditures as specified by laws or regulations of the Minister of Interior such as debt service expenditure etc.³⁹

Annual budget

Each year a municipality has to prepare its annual budget plan before submitting it to the Municipal Council for approval. The annual budget plan which has been approved by the Municipal Council will be effective as an ordinance regulating the operation of the municipality only after it has been signed by the provincial governor. The period of the municipal fiscal year concurs with the national fiscal year which starts from 1st October - 30th September of the following year. In case of a budget delay, the municipality can use the budget plan of the previous fiscal year temporarily before the new budget plan is approved by the Municipal Council and signed by the provincial governor. However, the municipality has to observe the Minister of the Interior's regulation on Municipal Budgetary Procedure 1962 which allows the municipality to disburse money only as

³⁸ *ibid.*

³⁹ *ibid.*

salaries, wages, remuneration allowances, materials and other expenses which are subject to the approval by the Minister of Interior specifically for each budget item.

The municipal budget is classified into two types:

- the general budget which refers to the budget set aside for the general administration of a municipal office such as salaries, wages, procurement of office supplies and office equipment etc. Normally, this kind of budget is not mentioned in the Minister of Interior's regulation on Municipal Budgetary Procedure but it is specified by the annual budget plan of each municipality;
- the specific budget which refers to budgets set aside for specific purposes of the municipality such as budgets for water supply, transportation, sales of meats, sales of fuel and municipal enterprise or other matters recently appropriate and specified by the Minister of Interior as specific budget.⁴⁰

The components of the municipal annual budget comprise three principal sections:

- current expenditures include contingency expenditures which refer to expenditures earmarked for common use of all departments of the municipal office. This type of expenditure includes debt service expenditure, research funds and obligatory expenditure such as internal audit expenditure and subscription to the Municipal Club of Thailand⁴¹. Another is the expenditure of departments of the municipal office which refers to expenditure for each department on these items: salaries, wages for direct employees, wages for temporary employees;
- remuneration, allowance, office supplies, office equipment land and building, subsidies and other items of expenditure;
- extra expenditure refers to expenditure on municipal investments which are appropriate from extra income of the municipality. The classification of payment of items of current expenditure is also applied to the classification of payment items of this type;
- general receipts refers to municipal incomes in each fiscal year such as provident funds which are allocated as a budget for the administration of municipality and other incomes such as loans, etc.⁴²

⁴⁰ *ibid.*

⁴¹ Club for all people who work for Municipality

⁴² Municipal Act 1989, Article 72.

As municipal revenue is derived from several sources, consequently these sources of municipal revenue are identified in the annual budget statement of the municipality as follows:

- taxes such as property tax, land tax, slaughter house license duties
 - fees, fines and license duties
 - income from municipal assets and properties such as interest on deposit accounts, interest on loans, bonds and rental of municipal markets
 - public utilities
 - grant-in-aids from the government or subsidies
-
- miscellaneous incomes such as proceeds from sales of medical supplies, gifts etc.⁴³

For the efficient administration of the municipal annual budget, the Minister of Interior's regulation on Municipal Budgetary Procedure 1962 provides that the municipal board of executives and the municipal clerk are collectively responsible for the municipal budget execution as budget officers who are entrusted with these responsibilities: control of the receipts and disbursement to follow the budget lines, inspection of the receipts and payment of money and the disbursement and reimbursement documents, and inspection of the financial reports and other financially related documents.⁴⁴

In some cases, the Municipal Council has to approve the supplementary budget submitted to them by the municipal board of executives. The same procedure has to be taken as the approval of municipal annual budget. The municipality is allowed to make a supplementary budget only in some cases such as if the approved annual budget is insufficient, the expenditure items or obligatory debts exceed the annual budget and the occurrence of public disasters or emergency that required supplementary expenditure.

4.5 Problems of Local Government

Under the country's existing administrative structure, authority is delegated from the provincial governor and then to local areas. In general, development policy and planning in Thailand is a combination of top-down and bottom-up approaches, while the public administration system of the country is highly centralized. Thailand has gradually strengthened the capacity of local government. During the 5th and 6th National Plans, local government played a greater role than previously in setting development priorities.

⁴³ *ibid.* Article 73.

⁴⁴ Municipal Act 1983, Article 69.

Nevertheless, the development plan proposed by local government still have to be agreed upon and budgets approved by central government. To further enhance the role of local government and local development efficiency, the 7th and 8th National Plans called for the decentralization of fiscal authority and asset holding as important mechanisms to help strengthen local administrative capacity. However, fully decentralisation has not been happened in local government. As mentioned above in sections 4.1 Thai Public Administration and 4.3 Municipality Administration, the authority to make local decisions access mainly under the provincial governor. Although the structure and management system of the local government proposed by the Eighth (1997-2001) and the 9th National Plans (2002-2006) concentrates upon improving the development capability of the local administrations, a power of general competence is still not granted. Moreover, the National Public Administration Act 1991 has not been updated after the Eighth and the Ninth Plan has been issued with aim of grassroots level and decentralised development. Even though Ninth Development Plans set out the local administration to increase their capacity of production and service sector, the local government still cannot use their resource capacity (such as tax collections or some license approval) without decision of the central government representative.

Local financial administration is the administrative process concerned with revenue collection and expenditures of local government as already presented in a local government unit, particularly, municipality. Thus, this chapter does not provide other types of local financial administration but issues of financial situations which are limited to the source of income and the solution to these.

The financial situation is one of the important factors of local government administration in order to fulfil the needs of the local people. Nowadays, there are many criticisms that the government has not yet decentralised its financial powers and authorities to perform their work effectively. These limitations can be summarised as problems on the structure of income, problems on household and land tax collection, local tax collection, signboard tax collection and the Allocation of Value Added Tax (VAT) and special business tax.

The particular concern is the low proportion of an income ratio between the central and local governments as showing in Table 4.1, following.

Table 4.1: Presentation of Local Revenue Proportion during 1991-2001 (Thai baht)

Year budget	GDP	Government Budget	Local Revenue	Proportion of GDP	Proportion of Government
1991	1,014,399	209,000	13,167.40	1.30%	6.30 %
1992	1,095,368	211,650	14,374.40	1.31%	6.79 %
1993	1,253,147	227,500	15,590.20	1.24%	6.85 %
1994	1,506,977	243,500	17,228.20	1.14%	7.08 %
1995	1,856,992	285,500	20,839.00	1.12%	7.30 %
1996	2,191,094	336,507	26,553.20	1.21%	7.89 %
1997	2,505,629	387,500	32,266.90	1.29%	8.33 %
1998	2,804,935	460,400	38,132.00	1.36%	8.28 %
1999	3,163,914	560,000	44,971.70	1.42%	8.03 %
2000	3,597,355	625,000	57,469.97	1.60%	9.20 %
2001	4,162,191	715,000	62,458.77	1.50%	8.74 %

Source: GDP Report of the National Bank, Government Budget, Summarized Version of the Government budget in years.

Between 1991 and 2001 the estimated income of local government was only about 6-9 percent of the central government's income. This problem is derived from an improper share of income which mainly goes to central government. The base rate of income for the local government has not been changed for a very long time while the needs of the people have increased rapidly.⁴⁵

Even though household and land taxes are the best sources of revenue for local governments, the rate of collection is not effective due to some difficulties such as tax appraisals lacking clarity, tax exemption for the householder, rate of tax collection, and some legal cases.⁴⁶ Problems of land tax collection includes the proper estimation of land costs, low tax rates, tax deduction and others, resulting in a lower tax collection.⁴⁷ Apart from that, problems of signboard⁴⁸ tax which locals are facing are practical ones such as an incomplete collection of taxes or a consideration of a type of signboard.⁴⁹ Besides that,

⁴⁵ Noranitipadungkorn, C. and Hangensit, C., *Modernising Chiang Mai*. Bangkok, 1993, pp.15-32.

⁴⁶ Ministry of Interior and Australian International Development Assistance Bureau. *Regional Cities Development Project II. Feasibility Study Vol. 1*. Bangkok. 1997. pp.20-21.

*Legal cases: The degree of penalty for tax payers is not so strong, therefore, the concerned laws lack of enforcement. Even though, by law, the local executives can hold or take the buildings and land of any person who do not pay tax to an auction, no local unit have ever done.

⁴⁷ *ibid.*

⁴⁸ same thing as billboard

⁴⁹ *ibid.*

problems of VAT and business taxes allocation have not yet been aligned with local economic conditions. The law indicates that Bangkok will have its share of 60 percent of the total amount of VAT collected, while other forms of local government will earn no more than 40 percent.⁵⁰

The lack of local revenue has been one of the most serious problems of local finance for more than 50 years. The need for bigger budgets is rapidly increasing as well as the responsibility to provide better services to the local people.

There are some proposed ways and factors to improve local finance more effectively:

- 1) to improve the collection of household, land and local taxes,
- 2) to improve the collection system of signboard taxes,⁵¹
- 3) to improve the efficiency of the local government in local tax collection,
- 4) to reduce service fees for special tax collection,
- 5) to improve the criteria of revenue allocation collected from VAT and special business tax,
- 6) to improve the criteria of grant-in-aids allocation from the government,
- 7) to improve the rates of fees and fares,
- 8) to collect development tax and special appraisal taxes,
- 9) to collect public utility taxes (telephone services, water supply and electricity),
- 10) to collect taxes from new local economic sources,
- 11) to require government enterprises to pay for services received from the local government,
- 12) to improve financial institutions in providing laws to local governments,
- 13) to find new sources of revenue such as tobacco tax, gambling tax and license fees.⁵²

On the other hand, there are several related factors which do not facilitate the implementation successfully, such as disagreement between some government agencies, conflicts in local governments, legal issues or frequent political changes and also instability in the financial status of the government. Even though there are some problems as those mentioned above, many conditions or situations are in line with an effort to improve local financial status such as a widespread demand for decentralisation of financial power to the local, more stable status of the government and the major policies.⁵³

Due to the local government problems such as lack of authority and finance situation, the Ninth National Economic and Social Development Plan proposed the development guideline which involves greater decentralisation of local administrative authority to local authorities for effective regional development. Decentralisation of

⁵⁰ *ibid.*

⁵¹ Sign board tax will collect from businesses with personal plate.

⁵² Komai, H., 'Does Strengthening of Intermediate Cities Lead to the Alternative Development?' *Unpublished Paper*, 1999, pp.3-4.

⁵³ *ibid.* pp.7-12.

functions and responsibilities to local administrative organisation is seen as a key in which public services are in line with the people's needs and are equitably distributed and that people's participation in local administrations' decision-making processes and in the monitoring of their operations is encouraged. The strategies proposed are:

- Restructure the oversight system of decentralized administrative authority to be more flexible, and to operate in a more expeditious and efficient manner. Create common understanding and designate clearer roles among the central, regional and local authorities, as well as the general public, so that they can join efforts to achieve the decentralisation of administrative authority.⁵⁴

- Improve the capacity and upgrade the efficiency of local administrative bodies to cope with newly decentralized functions. Any government agencies that had previously undertaken these functions should be responsible for capability upgrading, in terms of transferring technical and management know-how to local administrative organizations. These should be a guideline regarding the appropriate size of each local administrative body for efficiency in public service delivery.⁵⁵

- Establish supportive systems for the decentralisation of power. Supportive systems include standardized administration and personnel, the shift in the accounting system from a cash to accrual basis, results-based budgeting, fiscal and monetary data, monitoring and evaluation systems, local implementation monitoring, district level counselling centres, and public service standards and incentives for local authorities to upgrade their service delivery. A code of conduct for local authorities should be formulated, including guidelines for public reporting, cooperation and partnerships, and monitoring.⁵⁶

- Establish a system for tax and intergovernmental transfer to the local administration. The focus should be on clarifying allocation criteria, equality, and congruity with the responsibilities of each local authority. Local authority capacity for revenue development and collection should be upgraded. Also, there should be campaigns to raise public awareness for tax payment and participation in local development.⁵⁷

⁵⁴ Office of The National Economic and Social Development Board, *The Ninth National Economic and Social Development Plan (2002-2006)*, p.30, [Http://www.nesdg.go.th](http://www.nesdg.go.th), 19/08/03

⁵⁵ *ibid.*

⁵⁶ *ibid*, p.31

⁵⁷ Office of The National Economic and Social Development Board, *The Ninth National Economic and Social Development Plan (2002-2006)*, pp-30-31, [Http://www.nesdg.go.th](http://www.nesdg.go.th), 19/08/03

At present, these strategies are used to work on local government development. If the ideal criteria are fully implemented with the successful conditions, the problem of income deficiency of local government will be solved satisfactorily.

However, after implementation, there is still a deficiency of local revenue and the Minister of the Interior and the local governments have tried to find ways to solve the problem. Also in the major targets of Ninth National Economic and Social Development Plan, it is recommended that the good governance target is to create a more efficient bureaucracy, appropriately sized and structured. The capacity of local governments to collect more revenue should be enhanced. In support of the decentralisation process, systems shall be established to ensure greater government transparency and accountability.⁵⁸ Meanwhile, local government is considering a new source of revenue from gambling taxes and license fees which can lead to collecting taxes from new local economic sources, development taxes, special appraisal taxes and public utility taxes.

Local government needs to find its own income which must support economic and social targets without compromising fiscal discipline. In addition, decentralisation of fiscal authority to local administrative organizations will have to provide appropriate support for the transfer of functions from central administrative agencies to local administrative agencies. In parallel, there is a need to strengthen local capacity for development to create strong communities, and better align utilization of the public budget with the needs of local populations and the poor.⁵⁹

4.6 Local Associations in Thailand

Local associations in Thailand are distinguished between associations in the economic sphere and groups in the social sphere which are different in their genesis, relationship with the local government, structures and activities.

Associations in the economic sphere are organised groups of economically active individuals or corporate entities that share and pursue common economic interests with the overriding objective of protecting, promoting or expanding their respective industry, trade, business or profession or who are collectively struggling for better compensation of their labour. Included in this category are business associations such as trade associations, chambers of commerce, professional associations, trade unions, and agricultural associations.

⁵⁸ *ibid*, p.17.

⁵⁹ *ibid*, p.70.

On the other hand, associations in the social sphere are organised groups of socially committed persons responding to deficiencies in public and private service delivery or to the pathologies of economic, social, and cultural change. Usually their sphere of activity is wider than that of the economic organisations because they not only promote or protect the interests of their membership, but frequently seek to serve wider segments of the public. Unlike the majority of economic associations, they are less inspired by self-interest than by altruistic objectives. In many cases their organisation is less formal than that of organisations in the economic sphere. They serve society through development projects and charitable activities. Associations in the societal sphere include non-governmental organisations (NGOs), charity and relief organisations, civic clubs, student organisations, and social movements.

4.6.1 Local Associations in Chiang Mai and Chiang Rai

It is difficult to draw a comprehensive picture of local associations in Chiang Mai and Chiang Rai as many groups avoid official registration, preferring more informal organisational arrangements such as clubs and projects. One result is that neither the provincial nor the municipal authorities were able to provide this researcher with complete lists of associations active in their province or city. Available lists only reflect segments of the broad spectrum of associations in both cities. A list of voluntary organisations in Chiang Mai municipality, provided by the provincial government, included fifty-two organisations,⁶⁰ most of which were non-government organisations, while a similar list compiled by the Chiang Rai provincial authorities had forty-nine entries for the entire province. Most of the listed organisations were formally registered.⁶¹

Chiang Mai's associations are more strongly influenced by non-local, value patterns and have reached a higher degree of functional and organisational sophistication than their more traditional counterparts in Chiang Rai.⁶² This is not surprising, taking into account Chiang Mai's more outward-looking economy. Both cities have a broad range of business associations. In Chiang Mai some of these organisations, like the provincial chapter of the Federation of Industries, are increasingly developing into a modern interest group. With its large rural hinterland and its function as an agricultural marketing centre, many economic groups in Chiang Rai are related to agriculture. Business and professional

⁶ Thai Kadi Institute, 'Academic Movement: The presence of NGOs,' *Thai Kadi Newsletter*, Bangkok, Thammasart University, Vol. 2 no.3-4, October 2000, pp. 110-120.

⁷ *ibid.*

⁸ Federation of Thai Industries, *Annual Report 2000*, Bangkok, Thai Industry Department. 2000. pp.30-32.

associations cluster in the traditional retail and wholesale trades, whereas in Chiang Mai organisational growth increasingly takes place in the modern tertiary and tourist sectors. The main difference, however, lies in the abundance of non-governmental development organisations in Chiang Mai and their absence in Chiang Rai. In Chiang Rai only four non-governmental organisations could be identified. Many of Chiang Mai's NGOs prospered in the fertile intellectual climate of the city's three universities, its teacher training college and other institutions of higher learning. Most of them propagate alternative development strategies with the objective of conserving the city's unique culture, physical appearance, and improving the living conditions of poverty groups. As the value patterns underlying the developmental concepts of these groups often contrast with official positions, they naturally operate in a more politicised environment. Not surprisingly, Chiang Mai's associations make a more critical assessment of the governments' development performances.⁶³

Associations with cultural objectives are active in both cities. Chiang Mai is the centre of the old Northern culture⁶⁴ which in recent years has experienced a remarkable revival and increasingly become a rallying point for social activists in their rejection of what they perceive as a Bangkok imposed, exclusively growth-oriented development model. Northern culture is consciously used as a device to create a local identity for cultural autonomy. Chiang Rai on the other hand, with a sizable population of Chinese and Burmese ancestry,⁶⁵ has remained an urban centre where Thai-Yai customs are cultivated and preserved, even if to some extent the purpose of this is to attract tourists. Preservation of cultural traditions is thus inextricably linked with welfare activities. Correspondingly, religious associations promoting Thai-Buddhist culture is weak in Chiang Rai. Organisations like the Buddhist Association or the Young Buddhist Association are more active in Chiang Mai, though on the decline here as well.⁶⁶

The data provided by the provincial governments confirms the national trend that organisational growth in the non-governmental sphere is a very recent phenomenon. In Chiang Mai and Chiang Rai the overwhelming majority of associations were founded after 1973. More than 60 percent of those listed in the provincial directories were created after

⁹ Social Research Institute, Chiang Mai University, *Directory of Public Interest Non-Government Organisation in Thailand*. Bangkok, Siam Printing, 1999, pp. 3-7.

¹⁰ The Northern part of Thailand used to be an independent state known as 'Lanna Kingdom'. Then people in the North still have their own language and traditional culture which are different from those of the other Thais in other parts of the country.

⁶⁵ This group is called Thai Yai. Their ancestors from the group of Chinese who have been living in the Shan State in Burma which is close to the Northern frontier with Thailand at a part of Chiang Rai.

⁶⁶ Vatikiotis, M., *Ethnic Pluralism in the Northern Thai City of Chiang Rai*. Ph.D. Thesis, St. Catherine's College, Oxford, 1990, pp.33-35.

1980. A comparison of the two cities suggests that local associations emerged earlier in Chiang Mai than in Chiang Rai. More groups in Chiang Mai were founded prior to 1957.⁶⁷

Despite a significant growth in membership, many local associations still have few members. About one-third is relatively small groups with less than 100 members. Another third are medium-sized groups, while 15 percent of the associations are NGOs or foundations without formal membership.⁶⁸

The membership profile of local associations is quite similar in both cities, except for a greater share of mass organisations in Chiang Mai. On first sight, with an average membership of about 2000-2500 Chiang Mai's local associations are considerably larger than those in Chiang Rai. While economic and civic organisations tend to be small, tightly knit units, many of them having less than 100 members, mass membership is concentrated among cultural and social organisations. Groups like the Youth Club and the Village Scouts promote what they consider the genuine northern or national culture, but, in reality, resemble much more a paramilitary organisation. The high incidence of large organisations among groups with social objectives mainly derives from the fact that these include the slum dwellers' organisations which enlist almost all-household heads of the community as members.⁶⁹

Like their national counterparts, local associations in Chiang Mai and Chiang Rai consciously cultivate sociability through an array of social functions such as frequent meetings, gala dinners, and award ceremonies. The Chiang Mai Taxi Drivers Association honours courteous drivers, the Rotary Clubs in both cities give awards to outstanding citizens, and the Association of Business and Professional Women honours successful businesswomen.⁷⁰

Also, local associations frequently organise charity projects. Great importance is also attached to social commitment. This reflects the sizable number of charity and development organisations and also the charity activities of economic and civic organisations. This is a calculated move to display civic-mindedness and to silence critics who reject their particularistic goals. But this type of charity is also a collective form of merit making. According to the Buddhist karma doctrine, the merit accumulated by a person in life determines his status in a future existence. Merit can be acquired through good deeds or simply be purchased by donations for charitable projects or religious

⁶⁷ Thai Kadi Institute, *op cit.*, p.130.

⁶⁸ Social Research Institute, Khon Kaen University, *Directory of Public Interest Organisation in Thailand 2000*, Khon Kaen University, 2001, pp.8-12.

⁶⁹ *ibid*, pp.16-20.

⁷⁰ Chiang Mai Governor's office, *Directory of Organisation and Agencies in Chiang Mai*, Chiang Mai, Silkworm, 1999, p.38.

institutions. As modern business life frequently conflicts with the moral imperatives of Buddhism, many businessmen are inclined to view charity as a means of settling their moral accounts.

Economic activities are pursued by about 50 percent of all associations. The greater percentage of groups with economic objectives in Chiang Mai may be a reflection of the city's more competitive and dynamic economy, but it also includes NGOs seeking to improve the living conditions of poverty groups through income-generating projects.⁷¹ The provision of services to the associations' membership signifies an advanced state of organisational development. More groups in Chiang Mai provide services such as training and technical assistance, legal protection, budget credit, financial assistance, and market analysis for their memberships. This holds particularly true for economic associations and also to some degree for NGOs as well. Yet, these services are rarely provided in a professional manner on a regular basis. Exceptions are the services offered by economic interest organisations such as the chambers of commerce and the Federation of Thai Industries.⁷²

Political objectives play a minor role with associations in both cities. Only the reporters associations in both cities and one civic club in Chiang Mai stated that it is one of the association's objectives "to promote democracy" and "to inculcate democratic spirit in their members".⁷³ Although not explicitly naming such objectives, the YMCA in Chiang Mai pursues an interesting project which may implicitly have similar effects: familiarising youths with community affairs and municipal administration, educating them in democracy, creating awareness about local development issues, and informing them about their rights and duties as citizens. As part of this program the YMCA organised local administration games in several private and public schools of northern cities such as Chiang Mai, Chiang Rai, and Phayao,⁷⁴ with three high school students acting the roles of the mayor, city clerk, municipal assemblymen, the opposition in the assembly, and the general public. In addition, guest speakers who are invited lecture about the form, structure, and tasks of the municipal administration. The students get a briefing about the work of the municipality and an opportunity to attend a session of the municipal assembly. Projects like this will certainly have a positive long-term impact on localism, local autonomy, and may stimulate interest in local affairs.⁷⁵

⁷¹ Thai Kadi Institute. *op cit.*, pp.158-162.

⁷² Chiang Mai Governor's office, *op cit.*, p.39.

⁷³ YMCA., 'Voluntary Associations and People's Participation in Politics', *Report on a North of Thailand*, Chiang Mai, YMCA Printing, 1998, pp.3-10.

⁷⁴ A small city near Chiang Rai. It was a district in Chiang Rai and was set up as a city in 1985.

⁷⁵ *ibid.* pp.12-19.

4.6.2 Difficulties of Local Associations

Contrary to initial assumptions, the majority of local associations in Chiang Mai and Chiang Rai have contributed little to strengthening local autonomy. Although local associations have proliferated in recent years, many have not yet developed a stable organisational infrastructure.

Local associations in Chiang Mai and Chiang Rai have a very weak organisational infrastructure. Most of them are much less developed than national associations which have been found to be saddled with severe problems in terms of staffing, equipment, office infrastructure and funding.⁷⁶ Not many associations had salaried full-time staff; usually they only consisted of one to two employees. Only two associations had more than ten staff members, both of them located in Chiang Mai.⁷⁷ Even influential associations such as the provincial chambers of commerce must work with a small staff. The Chiang Mai Chamber of Commerce has only three full-time employees.⁷⁸

The work of local associations is little professionalised. Most of them either work exclusively with voluntary staff or have to complement salaried full-time or part-time staff with volunteers. Frequently 'voluntary staff' is a euphemism for employees of the association's president. Frequent office rotation makes it difficult for outsiders to locate the association and complicates efforts to establish contacts with it.

Due to considerable financial constraints, most associations cannot pay competitive salaries. According to a former president of the Chiang Mai Chamber of Commerce the position of the chamber's office chief requires a M.A. degree and should draw a salary of not less than 10,000 bath⁷⁹ per month. In reality, however, the post is poorly paid, and qualified candidates either do not accept the job or use it as a springboard for a better-paid private sector position. Nor was the Chiang Rai Chamber of Commerce able to offer a salary at this level.⁸⁰

The problem of under qualified personnel and a considerable fluctuation among staff are common among many local associations. Nearly 60 percent of the staff works less than three years for their association. On the whole, staff continuity seemed to be somewhat greater in Chiang Rai than in Chiang Mai.⁸¹ Low salaries, limited career

⁷⁶ Ungphakorn, J. 'A Summary of the Situation and Problem of Thai Development NGOs', *Thai Development Newsletter*. Vol.2: 2, Issue 3. 1994, pp.18-21.

⁷⁷ They are the 'Club for Chiang Mai' and the 'YMCA.'

⁷⁸ Thai Chamber of Commerce, *Annual Report 2000*, Bangkok, BK Chamber Office. 2000, p.5.

⁷⁹ It costs about NZD\$370 (exchange rate of NZD\$1=27 Baht on 17 September 2004).

⁸⁰ *ibid*, p.6.

⁸¹ *ibid*.

perspectives and the voluntary nature of work are the main reason for these frequent changes.

Most associations do not have their own office. Only the large economic associations such as the provincial chambers of commerce, some welfare foundations and NGOs in Chiang Mai have their own premises or office facilities. The others usually use the facilities of their president's firm. Except for some NGOs, they have neither a library nor other information facilities. NGOs in Chiang Mai seek to balance this deficiency by establishing close contacts with the academic community. Until the university is established in Chiang Rai⁸² local associations are deprived of this opportunity. The majority of local associations are confronted with severe financial constraints. There were no major differences in this respect between Chiang Mai and Chiang Rai, although Chiang Rai had a slightly higher percentage of groups with very low revenues of less than 100,000 bath per annum.

An almost equally high share of associations received donations from domestic sources, either from government institutions or private donors. While in Chiang Mai donations from domestic sources even exceeded membership fees in their importance for association funding, in Chiang Rai fund raising activities were mentioned as the third financial pillar of the city's associations. Especially in Chiang Rai, local associations displayed a great inventiveness in raising funds.⁸³

Associations in Chiang Mai received a substantial amount of funds from foreign partners, particularly Chiang Mai's NGOs. Again, this clearly reflects the more outward-looking socio-economic profile of Chiang Mai which is the headquarters of many international development organisations running projects in the north. These organisations, many of them NGOs themselves, are the main source of funding for their local project counterparts.⁸⁴

That some associations receive government funding is important for maintaining organisational independence. It is thus debatable whether it is a sound strategy to alleviate financial constraints by seeking government subsidies, as recently demanded by the provincial chambers of commerce. Official funding limits their independence and strengthens corporatist patterns of policy-making.

Another factor limiting the contribution of local associations to strengthening municipal autonomy is their branch structure. Many branches of national organisations in a

⁸² Chiang Rai is expecting a university to be established in 2004.

⁸³ Chiang Rai Municipality, *Our Home, Public Relations Magazine*, Chiang Rai, Vol. 2 : 2, September 1998, p.3.

⁸⁴ Ungphakorn, J. *op cit.*, p. 33.

locality may curtail local autonomy because they facilitate the influx of non-local values and policy preferences.

The civic clubs have the strongest affiliation to national and international umbrella organisations, all of them being branches of a national organisation and thereby contributing to the high percentage of branch organisations in both cities. Although the members of these clubs belong to the local elite, with firm roots in the city and with branches that are relatively independent of national and international bodies, their outward looking perspective and numerous national and international connections make the Rotarians, Lions, and Jaycees a major channel for the influx of new ideas into the city.⁸⁵ They have contributed considerably to the modernisation of their cities, but in many instances their ideas about development tend to restrict local autonomy. Many are businessmen with a bias for a growth-oriented development model that in the long term inadvertently increases external dependencies in terms of resources and know-how. But in Chiang Mai the active NGO sector acts as a counterbalancing force which acts as a check on the economic and cultural dependencies on external actors.

On the other hand, private sector organisations and academic institutions also play a crucial role in the provision of training. The strong co-operation between academic institutions and local associations in Chiang Mai is self-explanatory in view of the city's function as the leading educational centre of the North. The strong involvement of other private sector organisations in the training of personnel and officers of local associations reflect Chiang Mai's more diversified economy.⁸⁶

The organisational and financial shortcomings of most local associations in Chiang Mai and Chiang Rai severely limit their research capacities⁸⁷ which are a crucial precondition for an effective advisory role of the municipal authorities. Data collection by local associations is very unsystematic in both cities and much of the information provided to the authorities is fragmentary, and is based more on individual experience and hearsay than on empirical facts. Such deficiencies reduce the prestige of local associations as professional counsellors of governmental bodies and severely impede their contribution to local institution building, the networking of know-how, and to the expanding of the informational base of local decision-makers.

⁸⁵ Chiang Mai Municipality, Public Relation Magazine, Chiang Mai. Vol. 4:3, January 1999, pp.23.

⁸⁶ Chiang Mai Governor's office, *op cit.*, p.43.

⁸⁷ Ungphakorn, J., *op cit.*, p.40.

4.7 Casino Development

A casino development concept has been proposed by the private sector to the central government as supporting a move to legalise casinos to boost national revenue and cut the government's budget deficit and debt. Thailand has run a budget deficit for the past five years, with the gap between spending and revenue of some 140 billion baht (U.S. \$3.2 billion) for the financial year that ended September 2002.⁸⁸ The casinos proposal suggests casinos could contribute to economic and social development in the regions and help tourism expand, bring in more foreign currency and create jobs. At present, the only legal forms of gambling in Thailand are horse-race betting and a national lottery while casinos in neighbouring Malaysia, Cambodia and Myanmar are drawing Thai tourists who cannot gamble legally at home. However, the government needs public support before allowing casinos to operate legally. Religious groups have protested when previous administrations raised the idea.

In terms of decentralisation and regional development, the casino proposal could enhance the local authority's efforts to promote greater public participation. If the casino is established in the region, a decentralised fiscal authority can be transferred to local administration in an appropriate manner such as by increasing capability of local administration in planning, and preparing and managing budgets, in order to respond to local needs. The roles of central government agencies will be adjusted to be consistent with the increasing role of local administration. This will allow local government to increase their roles and functions in accordance with their capabilities. At the same time, capability of local administration will develop in revenue collection, especially increasing efficiency in property tax collection, according to local potential, in order to help reduce the burden on the national government budget.

This thesis is concerned with the issue of a casino establishment in a region. It is certain that some people may accept the proposed unconditionally while others may not, depending on their backgrounds, visions and attitudes. This study is interested in Chiang Mai's local government in which a casino development is proposed to see how the decision will be made. The attitude of decision makers towards a casino establishment will be presented in *Part IV*.

However, many casinos are legally established in some many countries. Experiences of the benefits and disadvantages are quite obvious which lead to be motivation or objection of having a casino in Thailand. The next Chapter will present

⁸⁸ www.THA_Report.pdf/11 November 2002.

views and reasons of casinos establishment in some countries, including consequences of casinos in terms of economic, social and political issues.

Chapter 5

Motivation for a Casino Establishment

In Part I, this thesis outlined Thailand's Ninth National Economic and Social Development Plan (2002-2006) as a national problem solving process and discussed the key elements of good governance, empowerment, decentralisation, participation and also the power of general competence. In pursuit of growth, the Plan focused on a global vision of targeted economic issues around which strategies were developed to address national problems. The Plan acknowledges how the global economy becomes increasingly complex and interrelated, and that Thailand could not avoid changes resulting from rapidly changing patterns of trade, investment, and financial liberalization. The depth and speed of such change affects economic stability and peoples' ways of life. Past economic growth in Thailand was achieved through an increase in input usage, primarily capital and labour, while productivity continuously declined. The economy depended on foreign capital and technology, but lacked good economic and corporate management, and thus was ill-prepared for the effects of trade and financial liberalization at end of the Seventh National Economic and Social Development Plan period (mid 1990s). The structure of the economy has remained weak and vulnerable to outside forces. In addition, a large public debt exists which will constrain the availability of funds for development in the future.¹

In Thailand and elsewhere the financial and economic crisis of the 1990s had many consequences. The weak financial system could not function normally. Non-performing loans weakened the financial system, negatively affecting production. Social problems such as poverty and unemployment sharply increased. Measures to solve the crisis resulted in limited economic recovery but the benefits from recovery have not reached all layers of society. The problems increased to a level that became a significant burden and would be too difficult to solve unless the government found a new source of income to supplement the government budget. The Ninth Plan envisages economic and social development through balanced economic restructuring, strengthening of local economies, careful management of liberalization to balance benefits and costs and increased regional cooperation as it has happened in many countries. Many countries have considered the

¹ Office of the National Economic and Social Development Board, *The Ninth National Economic and Social Development Plan*, <http://www.nesdb.go.th>, 22/08/03, pp.67-71.

establishment of casinos in response to such circumstances for economic reasons. For governments in every country, the establishment of casinos is a means of increasing taxes, providing a new source of income, while a casino proposal in the region is seen as represented as a key contribution to economic development.

Thailand has a potential competitive advantage in any casino establishment, provided emphasis is placed on the efficient development of a regional casino and accompanying recreation centre. Only some of the regional casinos in Asia project the modern casino idea of Las Vegas. Malaysia has the Genting Highlands resort, one of the largest casinos in the world. It is a single casino facility, and local Muslims are prohibited from entering. Korea has several small and moderate-sized casinos but no more than one in any community. Koreans are not allowed to gamble in them. Philippine casinos are seeking to develop in order to capture the Chinese and Japanese tourist trade, but a government corporation owns all the casinos. Macao has a strip of very active casinos but they are somewhat restrained by the fact that the People's Republic of China has taken over the territory since 1999.² All the casinos in Macao are publicised and owned by governments.

However, while casinos have the potential to bring many advantages, the problems associated with casinos and gambling cannot be avoided. Thus, planning for a casino needs to review information which includes the experience of casinos in other countries. Furthermore, casinos may also be of benefit to social, political and public policy development as will be mentioned later in this chapter. This Chapter will also review the opportunities and challenges arising from casino establishment in many countries in terms of the economic, social and political and public policy issues to be used as a conceptual framework for the attitude survey of decision makers towards a casino establishment in a region in Northern Thailand.

5.1 Economic Issues

Casinos have become one of the most rapidly growing and changing industries in many countries and introducing a casino is usually part of an economic development plan and strategy. In some states, such as the United States, gambling is now a national issue as the result of the proliferation of all types of gambling, especially casinos, which have spread from Nevada and New Jersey to Iowa and South Dakota and some small towns.³ The basic stimulus for this expansion has been the desire of some states to expand their revenue base without having to raise taxes. Some states were experiencing a budget crisis

² Frey, H. James (ed.), *The Annals of the American Academy of Political and Social Science: Gambling: Socioeconomic Impacts and Public Policy*, USA Print, Pennsylvania, 1998, p.9.

³ *ibid.*

because their infrastructure needs in transportation, law enforcement, and education were expanding beyond the state's capacity to pay for improvements that were necessary, and the federal government was cutting back on what support it would give states for these purposes. By permitting gambling, the state was instituting a voluntary tax rather than a mandated, across the board assessment. Even though, participation in what might otherwise be called a damaging activity was by choice, the state would not be in a position of legislative morality.⁴ At the same time, the state would be generating new revenues to finance critical needs. Therefore it is accepted that a major reason for introducing a casino has come from the gambling industry and been supported by state and local governments for the benefit of the additional revenue. Goodman⁵ comments that most decision makers hope to use the casino to create jobs, raise public revenues, and keep taxes down. Decision makers have often been frustrated by their failure to find other solutions to stimulate economic growth and so city and state legislators have turned to gambling companies to create economic development policy. In Louisiana, for example, gambling was seen as a means to improve an economy suffering from declining world oil prices, while Connecticut politicians believed they had found a way to replace thousands of vanishing defence industry jobs. Casinos seemed to become an economic development strategy of the last resort.⁶

Many other countries apart from America have used casinos in the same way including Canada, many countries in Europe, Australia and New Zealand. In New Zealand, before casinos were developed, the Committee of Enquiry, appointed by the Department of Internal Affairs into the establishment of casinos in New Zealand,⁷ asked whether there was any actual, substantial demand for the introduction of casinos into the country, other than that created by those who gain financially from their introduction and whether a casino would attract overseas tourists when many of them already had access to casinos in their own countries. However, a study of the social and economic impacts of New Zealand casinos concluded that casino development has had a positive economic impact. The major reasons for perceiving a positive economic impact were employment opportunities and increased tourism to the region.⁸

⁴ See more arguments about this under the sections: 'Social Impacts' and 'Cultural Impacts' later in this chapter.

⁵ Goodman, Robert. *The Luck Business*. Triangle, New York, 1995, p.59.

⁶ *ibid.* p.4.

⁷ Department of Internal Affairs, New Zealand, 1988, *A Submission to the Committee to Evaluate Casino Operations in New Zealand*, pp.12-15.

⁸ Australian Institute for Gambling Research, 1998, *Study of the Social and Economic Impacts of New Zealand Casinos*. (University of Western Sydney), p.202.

The main justification for the establishment of casinos is mainly about economic development which is linked to taxation, employment, tourism and expansion of businesses in the area. Those are generally the tangible positive reasons for establishing a casino as is explained in detail below.

5.1.1 Taxation and Expenditures

In the United States, all legitimate industries have tax liabilities: corporate income taxes, sales taxes, real estate taxes and other taxes. Private sector gambling industries pay these taxes at rates comparable to those applying to other private sector businesses.⁹ The larger the industry becomes, the greater the number of jobs and the tax revenue. These tax payments are part of the fiscal contribution the gambling industry makes to governments. However, in addition to this ordinary US taxation, gambling industries pay special gambling privilege taxes. These taxes are a fiscal contribution to government that is peculiar to gambling and are often cited as a justification for gambling legalisation.¹⁰

In the United States, a significant justification for the legalisation of a casino has been the expansion of the financial basis of government and other benefits. Legalising and regulating gambling established an increasingly important source of income for governments. The revenue from taxation between 1988 and 1994 shows total yearly casino revenues nationally nearly doubling - from \$8 billion to about \$15 billion. In the early 1990s revenues in the gambling industry were climbing about two and half times faster than those in the nation's manufacturing industries.¹¹ However, commercial casinos face different gambling tax rates in each state jurisdiction, from as low as Nevada's average of 8 percent to as high as Illinois's 20 percent. Some states also have an admission tax.¹² Tax revenues can make a large difference in the economic impact of casino gambling across jurisdictions. In some cases, taxes are so high that the government is the primary party, exacting money from the operation. Bos¹³ relates for example, that casinos in Germany pay as much as a 93 percent tax on their gross profit while in France the top marginal rate is 80 percent. It is 60 percent in Austria and 54 percent in Spain. European tax rates all exceed those of US jurisdictions, including Nevada whose rate is less than 7 percent.

⁹ Christiansen, Eugene M., 'Gambling and the American Economy', *The Annals of the American Academy of Political and Social Science: Gambling: Socioeconomic Impacts and Public Policy*, USA Print, Pennsylvania, 1998, p.43.

¹⁰ *ibid.* pp.42-43.

¹¹ Goodman, *op cit.*, p.2.

¹² Gazel, Ricardo, 'The Economic Impacts of Casino Gambling in State and Local Levels', *The Annals of the American Academy of Political and Social Science: Gambling: Socioeconomic Impacts and Public Policy*, USA Print, Pennsylvania, 1998, p.77.

¹³ Bos, Richard, 'Taxed to Death', *International and Wagering Business*, (October) 2000, pp.40-41.

Drawing again on the experience of the United States, private sector gambling industries such as casinos, not only pay the usual taxes such as corporate and income taxes, but there are special gambling privilege taxes from the right to conduct commercial games.¹⁴ A similar structure exists in New Zealand for casino operations, where the usual taxes such as company tax and goods and services tax are paid. An extra tax is imposed by the government on gambling activities. Sky City Casino paid approximately \$20 million in taxation to the New Zealand Government in the 2000 to 2002 financial year.¹⁵

Although governments can gain substantial comments from taxes on casinos and their operations, there is some expenditure to be paid back for the needs of operating these casinos. It is not easy to identify the addition of public expenditures resulting from the presence of a casino. However, it is very important to control the costs for causes other than the casino's influence on the growth of public spending and some obvious costs for the maintenance of casinos should be met by the government such as security and public infrastructure. Goodman's contention is that the introduction of casinos typically requires major infrastructure improvements like upgrading sewer and water services, building new roads, new fire-fighting and expanding criminal justice facilities.¹⁶ Moreover, there is more expenditure on tourist facilities than other local facilities, as casinos attract more tourists. It is likely that the additional tourists and the additional concentrations of people carrying cash, together with the lower opportunity cost associated with some types of crime, results in a higher crime rate for the area.¹⁷

Higher crime rates result in higher costs for police protection, incarceration, courts of law and so forth. These problems have also been evident in New Zealand as respondents of surveys from Auckland and Christchurch give the main reason of the negative economic impact they feel the casinos have had is the increase in problem gambling and the increased costs for social welfare.¹⁸ Many countries spend their revenues from taxes and donations on social welfare costs. In the United States, gross gambling revenues which the government has received grew from US\$3.3 billion in 1974 to US\$44.4 billion in 1995, while the government allocated money for prevention, treatment and building public awareness of compulsive gambling of US\$20 million in 1997.¹⁹

¹⁴ Christiansen, Eugene M., *op cit.*, p.45.

¹⁵ *New Zealand Herald*, 15 May 2004, p.B1.

¹⁶ Goodman, *op cit.*, p.93.

¹⁷ Thompson, William N., Gazel, Ricardo and Rickman, Dan, *Casinos and Crime in Wisconsin*, Goeff & son, Wisconsin, 1996, pp.1-20.

¹⁸ Australian Institute for Gambling Research, *op cit.*, p.203.

¹⁹ Lesieur, Henry, 'Costs and Treatment of Pathological Gambling', *The Annals of the American Academy of Political and Social Science; Gambling: Socioeconomic Impacts and Public Policy*, USA Print, Pennsylvania, 1998, pp.161-167.

Compulsive gambling is an invisible social loss but it also has a cost impact. Social costs include fraud, theft, bad loans, bad cheques, lost work time, unemployment and welfare benefits, insured or publicly supported medical costs, and criminal justice system costs. Such social costs are easier to quantify than other types of social costs that result from gambling such as increased rates of suicide, car accidents, and incidence of child abuse. Another study says that social costs should include lost productivity of spouses, impaired judgment and efficiency on the job, divorces, added administrative costs for the unemployed, and the costs of depression and physical illness related to the stress and lower quality of family life.²⁰

Any attempt to quantify social costs is highly speculative. Most of the studies have asked compulsive gamblers who are in treatment or recovery of some kind to make an estimate of what they cost society. The studies look at those social costs that are easier to quantify, such as employment costs, loss of work, bad debts, civil court costs, criminal justice costs, therapy, and welfare. The problem of this research approach is that people in treatment are not representative of the entire population of compulsive gamblers.

For example, in the Wisconsin study, 92 of the 95 members of Gamblers Anonymous who responded to the survey were white, contradicting other surveys which show a larger proportion among minorities. Another sign of the unrepresentative nature of these surveys is that 52 percent of those responding were married; again that is inconsistent with the prevalence in surveys. The second problem with surveying for determining costs is that it requires accurate reporting by the individuals. These are individuals who clearly have some problems or else they would not be diagnosed with the symptom of compulsive gambling.²¹

Nevertheless, the results are interesting and, even if not representative, illustrate the high costs of compulsive gambling. A study in Wisconsin showed that the social costs were about \$8,600 per year per problem gambler, a figure that is on the low end of the range of available research. In Grinols and Omorov, a range of \$15,000 to \$33,500 per problem gambler per year is discussed from a survey of other studies. There are other studies showing different figures and some of the cost figures are much higher, up to \$100,000 per pathological gambler.²²

²⁰ *ibid.*

²¹ Dunstan, Roger. *Gambling in California*. [Http://www.library.ca.gov/crb/97-03/chapt9.html](http://www.library.ca.gov/crb/97-03/chapt9.html).

²² *ibid.*

By comparison, the percentage of problematic people who come for treatment in the New York state rose from 4.2 percent in 1986 to 7.3 percent in 1995.²³ In Canada, the range of services includes toll-free help lines, outpatient counselling and treatment. Funding of these programmes was C\$1.9 million annually.²⁴ All of the expenditures are estimated to be increasing.

5.1.2 Employment

Apart from taxation, employment is often cited as a justification for casino legalisation. The casino industry makes a contribution to the general economy by providing jobs in an industry which is labour intensive. In the United States casinos employed about 341,000 people in 1996, paying them about US\$7.7 billion in wages and salaries. These are not trivial numbers for the economy and employment situation.²⁵

In New Zealand, the Study of the Social and Economic Impacts of New Zealand Casinos²⁶ summarises that employment at the two casinos in Auckland and Christchurch provided a large number of jobs locally and additional jobs regionally and nationally. 82 percent of residents in both cities considered the casino brought more employment opportunities.²⁷ Nevertheless, casinos can also cause some problems for employment in the area. There are some interesting visions from business areas in Wisconsin, which are quite negative. They have demonstrated that wages tend to be somewhat higher than average at the casino and important health benefits are offered. Few small businesses can afford to compete with the high wages the casinos offer.²⁸ As a result, many employees would rather wait for jobs in casinos than work for lower wages, which causes labour problems for local business operators.

However, it should be noted that even though casinos create a huge range of jobs and many of them have training programmes, some positions need special qualifications. Lack of skills among local people leads to a continuation of unemployment problems because many professional workers have to be recruited from somewhere else.

²³ 'Nevada Problem Hard to Measure', *Reno Gazette Journal*, Vol. 4, 1991, p.91.

²⁴ Campbell, C.S. and Smith G.J., 'Canadian Gambling: Trends and Public Policy Issues', *The Annals of the American Academy of Political and Social Science; Gambling: Socioeconomic Impacts and Public Policy*, USA Print, Pennsylvania, 1998, p.31.

²⁵ Christiansen, Eugene M., *op cit.*, p.43.

²⁶ Australian Institute for Gambling Research, *op cit.*, p.30.

²⁷ *ibid.*, p.2.

²⁸ Sumathi, N.R., *Casino Gaming in Northern Wisconsin*, Western Press. Wisconsin, 1994, p.8.

5.1.3 Tourism

Tourism is a major factor in the establishment of casinos. For many countries, tourism is one of the fastest growing industries. In New Zealand, there is the attraction of outstanding scenery, natural environment and outdoor recreations. However, many visitors commented on the lack of the night-life available. The result is that many tourists were leaving New Zealand without spending all the money they brought. The development of casinos has provided additional entertainment and recreation facilities as a means of increasing visitor expenditure and length of stay. On the other hand, a travel agency gave evidence that generally, tourists preferred the safe clean image of the country and if casinos were established, it would negate that image.²⁹ It is noticeable that the location of casinos may affect the number of visitors. They could attract a significant volume of customers from beyond the region in which they are located. This can occur if a casino is prohibited in neighbouring regions or if a region has enough tourist resources to attract a broad base of visitors. New Zealand is an island country with no neighbours and the nearest casinos located in Australia.

New Zealand casinos have supported to the promotion of tourism in Christchurch and Auckland and to New Zealand in general, primarily through destination enhancement such as widening the product base, image enhancement and increased marketing efforts. However, the core of the casinos' markets is constituted by local demand, supplemented by regional residents and domestic travellers. Therefore, a significant increase in international/overseas tourists had not eventuated to the extent anticipated. The study of the social and economic impacts of New Zealand Casinos³⁰ reports a very interesting argument of the tourism aspect and casinos that there have been an increase of about 81.9 percent of tourists in New Zealand during 1980-1990 but there is a relatively small number of tourists for whom a casino visit is the sole or dominant reason for visiting New Zealand and, more commonly, tourists visit a casino for only few hours in the evening as part of a more general city visit.³¹

This argument assumes that patrons who usually visit casinos and spend more money and longer hours are local tourists or residents who may be addicted to gambling. Nonetheless, in terms of business, it does not matter whether patrons of casinos are

²⁹ Department of Internal Affairs, Wellington, 1989, *Report of the Committee of Enquiry into the Establishment of Casinos in New Zealand*, pp.30-32.

³⁰ Australian Institute for Gambling Research, *op cit.*, pp.202-203.

³¹ Department of Internal Affairs, *op cit.*, p.205.

overseas tourists or local residents. A greater number of visitors to casinos create more profit for the operators.

5.1.4 Business Expansion

It has been mentioned that new businesses and business expansion have also taken place with the establishment of casinos but there are both positive and negative arguments to this. A majority of people in New Zealand believe the casinos have increased local business and investment.³² Blevins and Jensen³³ mention the situation in Deadwood, USA, in the first year of its casino that 78 businesses had been taken over by the casinos development. With gambling and the potential for high profits, land speculation resulted in higher land values and also escalated property tax liabilities. One property appraised at \$75,000 in 1989 sold for \$300,000 later in the same year. Many store owners sold to the highest bidders and many businesses such as grocery stores, clothing and drive-in fast food saw profits raise quickly.

On the other hand, most businesses in Wisconsin reported that they experienced negative or at least no positive impact from the casino. The reason was that a casino made up a significant share of their customers. However, in particular, bars and restaurants were mentioned as feeling threatened by the competition for customers and labour while the real estate market in the area had improved. There were more houses built, house sales and property taxes increased.³⁴ It was the same situation in Atlantic City where the expansion of casinos also had a drastic effect on real estate values, creating a windfall for some property owners, but created serious problems for many others. Potential casino sites were rapidly bid up in price by speculators and casino companies. As the values of these properties increased, taxes on them also rose. The result of higher prices and taxes was to take potential casino land off the market for most other kinds of development which made it almost impossible to operate or develop small businesses or affordable housing at these sites.³⁵ However, in 1991, a research survey reported that as casino development expanded in Atlantic City, home buyers in nearby communities, sensing more crime in the area, offered lower prices. Not only did homeowners lose money on their investments, but cities lost property tax revenue as a result of lower real estate valuations.³⁶

³² *ibid.* p.180.

³³ Blevins, Audie and Jensen, Katherine, 'Gambling as a Community Development Quick Fix', *The Annals of the American Academy of Political and Social Science ; Gambling : Socioeconomic Impacts and Public Policy*. USA Print, Pennsylvania, 1998, p.117.

³⁴ Sumathi, N.R., *op cit.*, p.9.

³⁵ Goodman, *op cit.*, pp.23-24.

³⁶ Buck, A.J., Hamkin, S., and Spiegel U., 'Casinos, Crime, and Real Estate Values: Do They Relate?' *Journal of Research on Crime and Delinquency*, Vol.28, No.3, 1991, pp.228-295.

While new casinos and some of the businesses that serve them increase revenues and jobs, other local businesses lose revenues and jobs. Goodman points out, regarding this argument, that as local residents shift more of their discretionary budget to gambling and away from other purchase, a negative economic multiplier effect comes into play. Since less consumer time and money is available to be spent at these businesses, their profits decline and as sales clerks, restaurant personnel, and others work fewer hours or are laid off, these people now have less money to spend on other local goods and services, which in turn, further reduces the need for workers in other local businesses.³⁷

While casinos may sometimes provide an economic flow to a small town, residents in the larger region beyond it, which usually has a more diverse and highly developed economic base, are likely to shift large amounts of their discretionary spending from existing businesses to gambling. In effect, although the initial economic impact on the small town may be positive, the overall impact on the region is usually very different.

Besides that, Goodman has raised the point of the negative economic situation in Las Vegas that cities and towns entering the gambling market now face a fiercely competitive field from which they will be hard-pressed to draw patrons from outside their region. As a result, most of the people spending money on casino gambling will be local residents. Instead of bringing money to the local economy, consumers spend their money in casinos. At the same time, these communities incur additional costs as they have to deal with the economic and social consequences of an enlarged local population of chronic gamblers, these costs far exceeding any future economic benefits they might derive from gambling ventures. The negative impact of casinos as an economic development strategy may create far more problems, which need good planning and strategy to prevent and solve.³⁸

5.2 Social Issues

From most perspectives, casinos seem to motivate more negative social issues which cause general opinion to be against them rather than to support them. Because of the linkage between casinos and gambling, as casinos are legal and available places for gambling, it is believed that gambling is wrongful because gamblers must lose in the long term. Gambling is often invariably associated with criminal activities and corruption as being in opposition to the moral and ethical principles that a just and righteous person and an orderly society should follow, doing serious damage to individuals, families and others

³⁷ Goodman, *op cit.*, p.25.

³⁸ *ibid.* p.7.

to whom gamblers are responsible. Thus, in a convenient way, the incidence of problems is likely to increase. Most of the arguments are more against gambling than casinos. However, if an argument is against gambling, it is also against casinos.

Views on gambling vary. Many arguments centre on gambling as a vice and an activity that corrupts society while others view gambling as a harmless form of entertainment. These contrasting views help shape the regulation of gambling. Gambling is typically regulated more closely than any other business. Overall, social views tend to be cautious about gambling. Only limited types of games such as bingo or fund-raising are legal, once permission has been obtained. Gambling is heavily regulated because of concerns about criminal involvement also as a revenue source. The large amount of cash involved makes casinos an attractive target for criminals.

This part concludes with both positive and negative social impacts of casinos, including aspects of gambling addiction, and the relationship between crime and gambling. However, the motivation for developing a casino is also demonstrated as a part of community development and recreation and leisure activity.

5.2.1 Gambling Addiction

A serious negative aspect of the introduction of a casino is gambling, especially compulsive gambling, which has many direct and indirect consequences for individuals and society as a whole. Such gambling is not for fun since it has become a disorder. Christiansen mentions the disorderly behaviour that gambling causes.³⁹ 1996 statistics show that between 1.7 and 7.3 percent of the North American population who were exposed to commercial games, incurred unaffordable losses including a long list of individual and social costs.⁴⁰

It is necessary to have a clear definition of what constitutes gambling problems. Usually, the word 'pathological gambling' has been used as often as 'compulsive gambling'. Alternatively, 'pathological gambling' is strictly defined by the American Psychiatric Association's Diagnostic and Statistical Manual - DMS since 1980 as a "...persistent and recurrent maladaptive gambling behaviour that disrupts personal, family or vocational pursuits..."⁴¹ The diagnosis of pathological gambling is determined by 10 criteria of which five or more can be applicable. The term 'compulsive gambling' is commonly used as well and originated from an illness conceptualisation of alcoholics

³⁹ Christiansen, Eugene M., *op cit.* p.51.

⁴⁰ The Social cost of gambling is discussed in 'Taxation and Expenditure' under the section of 'Economic Impacts'.

⁴¹ American Psychiatric Association, *Diagnostic Criteria from DSM-IV*, Norton & co., Washington, 1994, p.615.

anonymous. Lesieur⁴² compares both terms that tend to be used by the general public while pathological gambling tends to be used by treatment professionals.

This research will follow Lesieur and use the word 'compulsive gambling' to mean the same as 'pathological gambling'. However, the more important issue is that there are numerous personal social impacts arising from gambling addiction. It is cited in some literature that further problems caused by compulsive gambling include high rates of depression, anxiety, suicidal intentions and behaviour, disturbed sleeping patterns and irritability and negative moods.⁴³ Obviously, there can also be severe financial problems when money intended for other uses is used for gambling. Apart from those problems, the impacts also involve family and interpersonal relationships as well. It is estimated that for every gambler, between five to ten other people experience some negative impact.⁴⁴ This means that while only a small percentage of the population may have difficulty with controlling their gambling, there are between five and ten times that number that are affected negatively by problem gambling.

Compulsive gambling can lead to personal and family tragedies. Some individuals who are unable to control their gambling behaviour will ruin themselves financially and their families as a result of gambling. Alternatively, irresponsible gambling leads to personal and financial stress on individuals and families through greater degrees of family problems in the form of erosion of trust and communication leading to increased family disintegration.

These kinds of problem gambling have been cited as the greatest arguments against casino gambling and are mentioned as the cause of the massive increase in crime and social illness, after the introduction of legalised casinos. Sometimes, the argument is phrased as the more careful claim that some gamblers will become addicted to the action and that this addiction will lead to crime. As the President of the International Association of Chiefs of Police said "addicted gamblers are easily drawn into criminal activity".⁴⁵

This is the principal concern regarding the increase in gambling addiction. Although the problem of gambling addiction affects only a low percentage of the population (approximately 1.7 percent), it is little understood. The pressure on local services is also seen as a downside to having a casino established in the area. An increase

⁴² Lesieur, *op cit.*

⁴³ *ibid.*

⁴⁴ Department of Internal Affairs, *Review of Gaming: A Discussion Document*, Department of Internal Affairs, Wellington, 1995.

⁴⁵ International Chiefs of Police, cited by Miller W.J. and Schwartz M.D., 'Casino Gambling and Street Crime', *The Annals of the American Academy of Political and Social Science ; Gambling : Socioeconomic Impacts and Public Policy*, USA Print, Pennsylvania, 1998, p.131.

in the number of people in an area can have a noticeable impact on law enforcement, fire protection and clean up of the area.⁴⁶

In summary, it is often claimed that gambling is especially likely to expose its participants from the outset to the dangers of incurring substantial debts. It is certainly true that it is easier to overspend on gambling than on other expenditures. Gambling tends to be conducted on a cash basis and where debts are incurred they will usually represent borrowings from sources extraneous to gambling, made in order to continue gambling, usually in the form of an unwise acceptance of credit facilities extended by a commercial promoter. This implies that gambling encourages participants to spend more money.

Second, if it is proved that for some people a gambling addiction is not unlike drug and alcohol addiction in terms of the physiological and psychological needs and compulsion they create; this might change the status of excessive gambling to be considered as a social problem and improve the chances of securing appropriate treatment and the diversion of funds and research resources for this purpose. It would also tend to raise more strongly the question of the place of gambling in society, given that its apparently harmful effects on a minority of participants cause not only social and economic problems to themselves and their immediate families, but directly compel its victims to commit criminal acts in society at large. Accordingly, there was contrast view of the Royal Commission in 1951 which considered evidence from a wide variety of sources concluded that:

Gambling is of no significance as a direct cause of serious crime and is of little importance, at any rate at the present time, as a direct cause of minor offences of dishonesty. We do not doubt that there is not uncommonly a connection to be found between dishonesty and excessive gambling in persons of generally dissolute character, but we should not regard this as evidence that gambling is, itself, a cause of crime.⁴⁷

The issue of gambling addiction which leads to compulsive gambling is a big gambling problem. It is probably the most important, especially in comparison to alcohol or drug addiction and also it is an intractable public policy concern associated with legal casinos. There are two dimensions to these issues: first, the incidence of gambling as a result of the introduction of a casino and, second, the type of strategy that would be most effective in dealing with the consequences of the gambling problem. The incremental impact of casinos on the incidence of gambling problems in a community depends largely

⁴⁶ Sumathi N.R., *op cit.* p24.

⁴⁷ Cornish, D.B., *Gambling: A Review of the Literature and its implications for Policy and Research*, Silkroad Publisher, New York, 1978, p.62.

on the availability of casinos in adjacent jurisdictions or other forms of sanctions on gambling in the region.

5.2.2 Crime and Gambling

There is a strong tendency for compulsive gambling to be associated with crime. Compulsive gambling follows from the weakness of individuals which lead to irresponsibility, where compulsive gambling behaviour leads to law breaking because of the need for gambling money. This obviously increases crime or other illegal activities, such as theft, drugs dealing, prostitution and fraud.

Increased crime is also a controversial topic in the literature in general. Some people argue that investigating the relationship between casinos and crime using crime rates which are based on population numbers is misleading since these rates do not take into account the large number of tourists visiting gambling jurisdictions and in reality, inflate crime rates. Thompson, Gazel and Rickman⁴⁸ using crime rate data for each of Wisconsin's 72 counties for 14 years, find a statistically significant relationship between casino gambling and different types of crime. Their results suggest that the presence of a casino in a county explains a major crime rate increase of 6.7 percent beyond what would otherwise be experienced in the absence of casinos. It was the same situation before the establishment of casinos in Colorado. In 1990 there was no index of crime in some cities such as Cripple Creek and Black Hawk. One of the effects of the increase in crime and arrests was the dramatic increase in the number of law enforcement personnel. Black Hawk went from zero in 1990 to 29 by 1995. The increase was from 2 to 16 percent in 1995 in the city centre and 3 to 26 in Cripple Creek.⁴⁹

The unfortunate problem with these statements, versions of which have appeared in newspapers and magazines, is that rarely is any evidence offered to establish a causal relation between casino gambling and an increase in crime.

While there are significant numbers of offences that might have been caused by the presence of casinos in the United States, it contrasts with research, done for casinos in New Zealand. It has been shown that the impacts on crime caused by the New Zealand casinos have not been as extensive as predicted. Reported crimes within and around casinos have been typical of casinos elsewhere. The report mentions that effective casino management and crime prevention strategies like adequate site lighting and surveillance, an entrance policy and ex-police officers to manage security staff have helped. However, general crime

⁴⁸ Thompson, W.N., Gazel, R. and Rickman, D., *The economic Impact of Native American Gaming in Wisconsin*, Western Press, Wisconsin, 1995, p.80.

⁴⁹ Gazel, R. *op cit.* p.80.

incidents have occurred within and around the casino premises, but the incidence has been no more than what normally occurs within inner city entertainment venues of comparable size. In Christchurch, crime is arguably lower than would be expected but there was an increase in crime and public disorder offences in the casino precinct. Besides that, the study found no evidence that casinos have caused a growth in pawn broking, although a pawnshop has been established in the vicinity of the Christchurch casino.⁵⁰

Despite the evidence that New Zealand casinos have not had a significant impact on crime, a community survey conducted for AIGR's study found that public perceptions remain undecided on this issue. A significant minority of residents surveyed in Auckland and Christchurch believe that the advent of casinos has resulted in more crime.

Although many arguments have located a relationship between crime and gambling, Miller and Schwartz⁵¹ comment that many of them are completely at odds. For example Thompson, Gazel and Rickman⁵² mainly found that the burglary rate increased in Wisconsin after casinos were introduced to Native reservations while Chesney-Lind and Lind⁵³ found tourists in Hawaii were victimised more by burglary and robbery. However, there was no evidence that if these places were only tourist places, there would be not more crime than the present situation.

Hence it is easy to understand why gambling is associated with crime. Many types of gambling have been and indeed still are, illegal. Hence, by definition, criminals were the only operators of games. When gambling restrictions were relaxed, criminals were the first to open up legal gambling establishments. This relationship has been extended to the establishment of a legal casino.⁵⁴

5.2.3 Community Development

Payment by casinos to charitable trusts and voluntary payments to community organisations is a direct benefit to the whole community. This benefit must be balanced against the additional demand placed on service agencies by the negative social and financial impacts of increased gambling. Further analysis is required to consider whether the allocation of charitable trust funds is operating to the optimum enhancement of the public interest.⁵⁵

⁵⁰ AIGR, *op cit.*, pp.26-28.

⁵¹ Miller and Schwartz, *op cit.*, pp.128-135.

⁵² Thompson, W.N., Gazel, R. and Rickman, D, *op cit.*, p.134.

⁵³ Chesney-Lind, Meda, and Ian Lind. 'Visitors Against Victims: Crimes Against Tourists in Hawai'. *Annual of Tourism Research*, 1986, 13: 167-191.

⁵⁴ More detail in 'Political Impacts'

⁵⁵ AIGR, *op cit.*, p.29.

There is doubt about some of the negative input. Despite the fact that those who are attempting to promote casinos are primarily doing so for profit on the basis of attracting tourists and although increased employment within a community may increase the discretionary fund available to locals, it is still expected that local patronage will remain and thus some loss of funding to local community groups and voluntary organisations. Proceeds from these activities are by central government law directed to authorised purposes for the funding of charitable and philanthropic activities of benefit to the community. In order to compensate groups for this financial loss some of the revenue from casinos should be paid back into the community.

5.2.4 Recreation

One positive social impact noted is that gambling is a recreational outlet; the present manifestation of the evolution of an entertainment and leisure product.⁵⁶ Many people accept that going out to the casino does not only mean that they want to gamble. Casinos offer benefits such as cheaper drinks (cheaper than ordinary bars), big screen television, music and a late night bar. Consumers of gambling activities voluntarily participate in an exciting interactive endeavour that satisfies a variety of psychological and social needs. From such a starting point, if gambling is going to be made available for public consumption, Goodman⁵⁷ accepts that there should be many good reasons beyond generating a consumer surplus for doing so and having gambling in casinos is a beneficial leisure activity for people's recreational needs.

A subset of the leisure sector include trips, sports, live entertainment such as movies or concerts, theme parks, leisure hotels and casinos. Christiansen points out that the amount of money spent in leisure sectors in the USA in 1996 was huge: consumers spent \$470 billion on leisure goods, services and activities. In that figure, their expenditures on gambling accounted for \$47.6 billion or just 10 percent. In other words, one out of every 10 dollars was spent on gambling for leisure activity.⁵⁸

Participation in casinos or any other leisure activities is naturally limited for the majority by financial constraints. A comparison of spending on gambling with buying movie tickets is relevant to the common assertion that gambling is a zero-sum game. Watching a movie or playing slot machines are like instances of the consumption of intangible goods. Consumers do not receive tangible items in exchange for that money they

⁵⁶ Christiansen, E., and Brinkerhof, J., 'Gambling and Entertainment', *Gambling: Public Policies and Social Sciences*. USA Press, Reno, 1997, pp.11-48.

⁵⁷ Goodman, R., *op cit.*, p.4.

⁵⁸ Christiansen, *op cit.*, p. 45.

spend on movie or slot machines as they do when they buy a new pair of shoes, but intangible fantasies that entertain.⁵⁹ Leisure consumption is real and consumers really intend to have fun with their choice leisure activities, even gambling.

5.2.5 *Morals and Gambling*

There is clearly a significant demand for gambling from the public. Part of the demand is based on the economic aspect such as employment, growth in business and the tourist industry. Thus the drive for casino development is essentially financial in ways while can be clearly reassured.

Morality arguments regarding gambling are inherently subjective. They do not easily lend themselves to scientific analysis. For a number of reasons, the power of morally based arguments against gambling has diminished over the last quarter century, in spite of the recent emergence of organisations such as the National Coalition Against Legalised Gambling. This is reflected in the improved status of gambling as an acceptable activity either for oneself or for others. A survey by Harrah's, that has been conducted every year since 1991, reported in 1995 that over 90 percent of the sample evaluated gambling as acceptable for anyone but not for themselves. There was only 9 percent who found gambling morally objectionable.⁶⁰

Individuals are far more prone to define their own concepts of right and wrong at the present time than, say, two or more generations ago. The ability of organised religions and the state to dictate values to, and influence the behaviour of, their constituents has diminished in the face of many challenging and controversial topics, including divorce, abortion, and birth control. Furthermore, governments and some religions have themselves become important purveyors of gambling services in the form of lotteries, bingo and other forms of charitable gambling. In the light of such issues, moral objections to gambling may not seem very important.⁶¹

The general objections to casinos have weakened considerably in recent years. Morality arguments which in the past had been most strongly put forward by church and government bodies have suffered partly because of the diminishing authority of such institutions presently in America in comparison with previous times, and perhaps because many churches and governments have themselves become actively involved in the

⁵⁹ *ibid.* p.47.

⁶⁰ Harrah's Entertainment, Inc., *Harrah's Survey of Casino Entertainment*. Harrah Press, Reno, 1996, pp.16-17. This survey is independence of the Harrah Casino.

⁶¹ Eadington, William R., 'Contributions of Casino-Style Gambling to Local Economic', *The Annals of the American Academy of Political and Social Science ; Gambling : Socioeconomic Impacts and Public Policy*, USA Print, Pennsylvania, 1998, pp.58-59.

provision of gambling services through such activities as charitable gambling and church bingo. Furthermore, in comparison to previous generations, much of the general public no longer considers gambling to be an immoral activity which can lead to personal and family tragedies from compulsive or pathological gambling behaviour. Some individuals who are unable to control their gambling behaviour will financially ruin themselves and their families as a result of immoral gambling.⁶²

The moral issue which leads to problem gambling is the most important argument against gambling. Problem gambling poses challenges of identification, definition and measurement. It is largely an invisible activity, especially in comparison to alcoholism or drug addiction with the outward symptoms of problem gambling is difficult to define and investigate.⁶³

On the question of appropriate public policy, some comparisons can be made regarding societal treatment of gambling and other morally suspect activities. As previously mentioned, with gambling, there has been a trend toward allowing people to have greater control over their choice of activities and to be more responsible for the consequences of their actions. But this principle has not been applied uniformly to other so-called vices, such as alcohol, tobacco and illicit drug use. The compulsive economic and social behaviour associated with these consumer goods and substances is not unlike that manifest by gamblers. Individuals become addicted and in this state of mind what they do is difficult to regulate. Legal and social initiatives taken to constrain negative behaviour and mitigate the social consequences have changed over time but no matter how tolerant society has become irrational behaviour remains a problem.⁶⁴

Gambling is of questionable social worth primarily due to the damage it might do to consumers who are unable to control themselves. As the arguments above show, when gambling players become 'compulsive gamblers' or 'problem gamblers', gambling leads to a more problems than they had ever realised. Most of the negative social impacts such as crime rates, families or individual financial problems, prostitution, fraud, problems of relationship between employers or families and other social problems come when consumers are primarily motivated by an expectation or hope that gambling will raise them to a higher economic status. Such behaviour can become increasingly an addiction to gambling. In this case, casinos are blamed as places available for gambling, despite casinos

⁶² Eadington, William R., *Casino Gaming: Origin, Trends and Impacts*, University of Wisconsin. New York, 1995, p.9.

⁶³ Eadington, *op cit.*, 1998, p.59.

⁶⁴ Eadington, *op cit.*, 1995, p.10.

is only one type of gambling while there has been many forms of gambling in many societies. So the moral arguments continue against gambling in whatever forms.

Legalising a casino for the benefit of the stakeholder would make it difficult to ensure that consumer protection will be kept in mind relative to the financial interests of stakeholders. The needs of governments or of other benefactors such as charitable or non-profit organisations that receive gambling profits might never be fulfilled by their share of economic rents. However, the continuing pressure to enhance their financial share can lead to expansion of permitted gambling in a way that can become overly predatory and damaging to those for whom gambling is self-destructive.⁶⁵

However, time, energy and money of a government agency would be better spent in promoting positive community development rather than in attempting to alleviate or suppress the possible negative consequences of casinos.

5.3 Politics and Public Policy Issues

The motivation for casino development is attributed to economic issues which have appeared to drive out morality issues as the major concern of voters and politicians when it comes to gambling. Governments do not often find tools of economic development of such proven effectiveness as casino development. Therefore, casinos are seen as a politically painless way to increase revenues without creating compulsory new taxes or increasing old ones. Whenever any government has been short of revenue or has fiscal problems, casinos have been seen as a way to boost the economy and gain public revenues. Blevin and Jensen raise an example of a U.S. state government in financial crisis which was confronted by their own taxpayer rebellions and continued demand by citizens for quality services and calls for local control and local fiscal responsibility. Moreover, both local and state governments were also confronted with the unenviable task of financing mandated federal programmes, state and local services, and optional services requested by the citizenry in a time of taxpayer revolt. Calls for additional taxes had fallen, and so trying to create some possible financing seemed to be the logical answer. Finally, legalised gambling activities such as casino gambling become essential to many states' finances.⁶⁶

In addition, legal casinos can help eliminate illegal gambling, which is an uncontrolled problem. The truth which cannot be refused is that there is illegal gambling everywhere and its untaxed incomes benefits only some groups of people who run this

⁶⁵ Moody, G., 'The Roots, Significance, Value, and Legalisation of Gambling', *Journal of Gambling study*, 1995, 10(1), pp.35-60.

⁶⁶ Blevin, Audie and Jensen, Katherine, 'Gambling As a Community Development Quick Fix', *The Annals of the American Academy of Political and Social Science; Gambling: Socioeconomic Impacts and Public Policy*, USA Print, Pennsylvania, 1998, p.110.

discreet industry. At the same time, social problems such as crime, drug dealing, fraud and blackmail which are caused by illegal gambling, are difficult to control because they come from unlawful activities. Governments have lost revenue that should have been received such as taxation and community contributions as mentioned earlier.

It is accepted that casinos are a major source of revenue for some governments. After a decision has been made, casino licensing is the first checkpoint for governments to gather up revenue. Government decision makers have the authority to legislate. Thus, it is obvious that the relationship between politics and casinos receives considerable attention. The legislation is directed by political power which could be a dilemma. Political power is an authority to approve and legalise a casino while the casino investors would try hard to get the approval including in special way such as bribe or involvement in political parties. Consequently, a negative image of government could be created as the following topic.

5.3.1 Political Power: Above or Below

After making decisions for legalising casinos, all final authorities that legalise, control, set up tax revenues and formulate casino policy obviously belong to the government. It is risky when government officials, at any level, have the ability to decide who will have access to limited channels of otherwise legitimate business activity. Casino approval is a real political power politicians have over those who want casino licenses. At the same time, the government authority to legislate could be used in a wrong way. Lord Acton said in 1887 that "...power tends to corrupt and absolute power corrupts absolutely". The organised gambling industry absorbs substantial monetary resources from a population where gambling activities are conducted.⁶⁷

Casino gambling is an industry of money. The unlimited amounts of casino money would also corrupt the governmental system by scandals or political bribe.⁶⁸ In New Zealand, the Department of Internal Affairs⁶⁹ raises an example that import-licensing policy led in the early days to corruption in the Customs Department and also in the Department of Trade and Industry. The goods were legal but the licenses were in short supply. This again created high margins and made it worthwhile to pay substantial sums of

⁶⁷ U.S. House, Committee on Small Business, *The National Impact of Casino Gambling Proliferation: Hearing Before the House Committee on Small Business*, 103d Cong., 1994.

⁶⁸ Kindt, John W., 'Follow the Money: Gambling Ethics and Subpoenas', *The Annals of the American Academy of Political and Social Science; Gambling: Socioeconomic Impacts and Public Policy*, USA, Print, Pennsylvania, 1998, p.87.

⁶⁹ Department of Internal Affairs, New Zealand, 1988, *A Submission to the Committee to Evaluate Casino Operations in New Zealand*, p.122.

money to get the licenses and hence gain access to the margins. As import licensing has been dismantled, the prices which can be commanded in the market have fallen as a result of competitive pressures and the high profit margins out of which the bribes were paid are disappearing as well.

The potential for political corruption emanating from a legal gambling industry has also been a concern for jurisdictions entertaining the possibility of legalising casinos. It is plausible that casinos are more prone to influence peddling than other industries because it is predominantly a cash business where elaborate services are dispensed to a large number of a casino's clientele. Also because of society's concern over the potential damages that can result from casinos, regulatory constraints cannot be used to limit the ability of a casino to earn excess profits. Public officials, through their discretionary decisions, can often favourably influence the performance of casino operations by relaxing constraints. This creates an environment in which regulators or other public officials might quite easily come under the influence of gambling operators seeking favours.⁷⁰

A common form of corruption that usually occurs is a donation from casinos to political parties or government, which can become a matter of political scandal. Gambling gives rise to large political contributors. The simple reason is because entry into gambling is limited by regulation and licensing decision. Dunstan points out an example of this situation in Missouri where the Attorney General alleges that the House Speaker broke the law by accepting funds from casino companies. The aim of the companies, according to the Attorney General, was to influence licensing decisions. In the end, a grand jury investigated the situation and decided that it is a political contribution. More evidence of the size and scale of political contributions can be seen in California where the gaming lobby has spent over \$10 million during 1990 and 1995. The 1994 state gubernatorial election saw significant Indian tribal involvement. The Indian tribes contributed more than US\$1.5 million to the Democratic Party in order to support a gubernatorial candidate who they believed would be more receptive to their gaming efforts. Their gubernatorial involvement was part of a larger effort to elect officeholders who would be friendly to their interests. Tribal contributions made to the Democrats went from US\$33,000 in 1992-1993 to US\$2.4 million in 1994-95. The tribes donated US\$740,000 to the campaign for attorney general alone. However, they have also begun to increase their contributions to the Republicans. The donations of the tribes are not limited to political causes and include

⁷⁰ Eadington, William R., 'The Casino Gaming Industry : A Study of Political Economy', *The Annals of the American Academy of Political and Social Science : Gambling : Views From The Social Sciences*, USA Press, Pennsylvania, 1984, p.31.

donations for symphony orchestras in San Diego and in Sacramento.⁷¹

In Louisiana, there has been significant criticism of the licensing decisions of casinos. As noted above in the economic section, there have been several projects that have not been successful. Critics blame it on those who received the licenses and the fact that they received the licenses for political reasons rather than on merit. Louisiana has been seized by a number of scandals related to the gaming industry.⁷²

Furthermore, the gambling industry was engaging in a US\$10 million campaign to legalise various gambling activities on a state-by-state basis. The industry spent, for example, US\$16.5 million in the 1994 campaign to legalise casinos in Florida which was more than was spent on the 1994 gubernatorial campaigns for Governor Lawton Chiles and his challenger.⁷³ In the five years preceding 1997, gambling interests contributed “more than US\$100 million in political donations at the state level.”⁷⁴

The situations of corruption and scandal that arise are unexpected. They have happened because both politicians and stakeholders think one of them has more power than the other. In fact, when the politicians are in a government role, they approve legalised casinos for revenues for the state and locals, not for individuals. However, the process of licensing is not easy to decide, who should have access to it and the licenses are less limited than the proposed investors. Thus, it is certain that not everyone can get the licenses. The stakeholders would do whatever they could to get the licenses in return for bribes or other considerations. The politicians believe that the power to legalise would create whatever they ever wanted to, on the other hand, the stakeholders think can be used their resource to bargain everything and believe they are powerful too. In fact, this kind of relationship between stakeholders and politician is always happened in many project developments which need legalised approval. It is hard to decide whether money to buy authority or authority to make money is the more important. Consequently, both politicians and stakeholders have fallen down in the situation of scandals and encouraged corruption in the political process. However, the relationship between politics and casinos can be not only political but also beneficial to an individual politician who gains from bribes. This is the negative impact of casino establishment. There is a positive relationship which is that politicians are in the role of policy makers and formulate suitable policies to protect their people and that is the way to protect them as well.

⁷¹ Dunstan, Roger. *Gambling in California*, *op cit*.

⁷² *ibid*.

⁷³ Lavelnu, Louis. *Voters Deal Loss to Casinos: Gambling Backers Lose Despite \$16.5 Million Campaign*, USA. New York, 1994, p.10.

⁷⁴ Lynch, April, ‘All Bets Are Off’, *Mother Jones*, August 1997, pp.38-39.

5.3.2 Considering Public Policy and Casino

There are a wide range of political and public policy factors to be taken into account in any decision to legalise a casino. The outcome is not simply the removal of obstacles to the establishment of a casino, but offering a limited number of casino licenses. There may be good policy grounds for better control and for deciding what should be done. The entry of potential competitors into the business is restricted through the availability of only a limited number of licenses.

Furthermore, to the extent that permitted casinos are not accorded the same status or legitimacy as other industries, there may be ongoing political tensions against gambling, especially from those who consider themselves adversely affected by competition from gambling. Political tension might result in attempts to extend gambling's franchise to new stakeholders, or it may manifest itself in efforts to roll back the prevailing permission to offer gambling services. The gambling industry is a political creation of legislative permission. It can also be destroyed through rescinding that permission.⁷⁵

Casino legislation is a tool for implementing policy while legislation also needs to be affected by the implementation strategy chosen in proceeding with legalising casinos. However, because there is a strong relationship between casino legislation and politicians in the position of government and decision makers, there are many popular criticisms in terms of political corruption and scandal, which are the negative impacts of casino development in many countries.

A legal casino has been considered widely and policy-makers have been confronted with a variety of economic, moral and social considerations and trade-offs. A major reason for introducing casinos has been to capture the economic benefits they can initiate. Such economic impacts linked to casino operations are general tangibles, quantifiable and perceived as positive. On the other hand, there are social impacts considerations related to casinos which are often a concern of the general public. While casino legislation is being processed, the government as policy maker needs to weigh the social and cultural impacts to protect people from problem gambling and protect themselves from being blamed by the public. According to Kindt, having casinos is the way that governments encourage their citizens to be losers and he cited the situation where the citizens of Reno lost approximately \$50 billion in 1996 to organised gambling activities licensed and sponsored by governments.⁷⁶ Several statesmen, including U.S. Senator Richard Lugar, raised

⁷⁵ Nelson, Rose I., 'The Rise and Fall of The Third Wave: Gambling Will Be Outlawed in Forty Years', *Gambling and Public Policy: International Perspectives*, Kingdom Publishing, Reno, 1991, pp.64-65.

⁷⁶ Kindt, John W., *op cit.* pp.88-91.

concerns that governments were advertising to adults and children that gambling would “obviate the need for a solid education”⁷⁷ and that governments were becoming “economic predators” of their own citizenry.⁷⁸

Governments need to avoid being blamed for the social problems caused by any casino legislation. Policy makers should formulate structured statutes and regulations in order to mitigate potential social damage. Eadington comments that some policies are paternalistic, directed at protecting gambling customers from over-indulgence, as with prohibitions against credit gambling, maximum wager size limitations and maximum loss limits. Others have limited advertising and promotions. Access has been restricted with geographic limitations on where casinos can be located, requirements for entrance fees or dress codes, mandated hours of operation and prohibitions against alcohol and entertainment. Such restrictions are usually beyond the fundamental objectives of casino regulation, which are to protect the integrity of games and workers by regulating against cheating and fraud. Moreover, this can protect the integrity of tax collection by requiring acceptable accounting standards and practices.⁷⁹

Before establishing casinos in New Zealand, the Department of Internal Affairs suggested to the government that it was essential from the start to determine policies, which would be embodied in casino legislation. Seeking revenue, the development of tourism, regional and capital development and the creation of employment have all been promoted as objectives. The establishment of legislation to specify the principles of control and management of casinos, and their adequacy in the light of any adverse social impacts which may arise, should be considered.⁸⁰

On the question of appropriate public policy for casinos, Eadington compares the social treatment of gambling with other morally suspect activities. The fact of gambling is that there has been a trend toward allowing people to have greater control over their choice of activities and to be more responsible for the consequences of their actions. But this principle has not been applied uniformly to others such as alcohol, tobacco and drugs. These activities, along with gambling, have similar economic and social characteristics. There are strong demands for consumption of the activity from portions of the population, a variety of social attempts to constrain the activity to mitigate negative social consequences and a history of changing social and legal tolerance and acceptance.⁸¹

⁷⁷ Yepsen, David, ‘Lugar to Accent Gambling’s Cost’, *Des Moines Register*, 1995, pp.34-36.

⁷⁸ Van De Slik, Jack, ‘Legalized Gambling: Predatory Policy’, *Illinois Issues*, 1991, (Mar: 10), p.8.

⁷⁹ Eadington, *op cit.*, p.7.

⁸⁰ Department of Internal Affairs, New Zealand, *op cit.*, p.62.

⁸¹ Eadington, William R., *op cit.*, p.10.

5.4 Conclusion

Casinos in many countries often provide the means to achieve those targets which stimulate recovery in public expenditures and tax policy, support economies and create jobs in the region. In the longer term, the income from this source should be on efficient management of public debt, expanding the revenue base, expenditure management, and public assets management, in order to achieve fiscal sustainability. At the same time, tax and expenditure policy must support economic and social targets without compromising fiscal discipline. In terms of businesses, employment and tourist industry, there are positive and significant results. Even when negative social issues are evident in some regions, casinos are still accepted by public and opinion leaders.

The experiences and impacts of casinos in many countries provide examples for the consideration of casino development in Thailand. A casino proposal in Thailand could be related to the Ninth Plan as the Thai government has tried and generated many problem solving processes in order to increase the capability of production and service sectors to be more self-reliant and competitive in the long term. Economic development policy during the Plan period has been aimed at reviving the economy in such a way that it regains strength based on adjustment of economic fundamentals in order to achieve future quality and sustainable economic growth.⁸² A casino establishment will lead to a more efficient knowledge based economy as it is a new business based on increased creativity.

In terms of decentralisation of administrative authority, one of the key proposals of the Ninth Plan and of particular interest to this thesis is whether the casino establishment can develop supportive systems for the decentralisation of power which includes standardised administration and personnel. The accounting system would shift from a central allocating budget to local accrual basis, local government own results-based budgeting, fiscal and monetary data, monitoring and local implementation monitoring. Local government would have authority to upgrade its service delivery from its own revenues. A code of conduct for local authorities would be formulated, including guidelines for public reporting, participating and collaborating.

According to the experiences of many casinos, legalisation is often linked to one or more higher purposes that can receive a portion of created economic rent and overcome the social impacts and moral arguments against gambling. Tax collections, investment, job creation, regional economic development and revenue enhancement for deserving interests are typical higher purposes. Generally, attitudes towards casinos have been changing to

⁸² *ibid.*

become more positive and less negative. Based on the trends of the last quarter of the 20th century, there are strong reasons to anticipate continued proliferation of casinos.⁸³ Many opinion leaders consider casinos as opportunities to be exploited, yet seeing them as a threat as the same time.

Regarding to a casino proposal in Thailand, there has never been a legal casino before. Therefore many conditions require consideration, such as the situation of gambling, public opinion and a specific context of a region. Those conditions will be considered in the next chapter before presenting the attitudes of regional opinion leaders as a case study in Part IV.

⁸³ *ibid.* pp.1-8.

Chapter 6

Casino Proposal in Northern Thailand

6.1 Introduction

The economic crisis in Thailand had started early in the Eighth National Economic and Social Development Plan period (1997-2001) resulting from macro economic mismanagement. Economic growth resulted from increases in inputs while productivity continuously declined. Financial liberalization under the fixed exchange rate regime coupled with ignorance of exchange rate risk resulted in high dependence on foreign capital. Inefficient prudential regulation of financial institutions resulted in the channelling of funds into sectors that did not contribute to national competitiveness.¹ As a consequence, when the economy slowed due to lagging export performance, the problem of loan quality in the financial system emerged, especially manifest in over-investment in the real estate sector. Lack of confidence in the financial system and the debt service capacity of the nation led to currency speculation and the sudden outflow of short-term capital. The result was financial and economic instability and the onset of the crisis.

The Ninth National Economic and Social Development Plan (2002-2006) has placed the emphasis on strong macro-economic management, namely effective and prudent management of monetary policy, fiscal policy, and foreign economic policy by following the philosophy of Sufficiency Economy as a guide to taking a balanced path characterized by stability and sustainable recovery.² The Plan proposes that local people should become the focus of development, with emphasis given to participatory processes, based on empowering communities in central and local areas. As a result, the majority of people should be given opportunities to upgrade their skills and develop their potential, sharpening their competitive edge, and enhancing their self-reliance. However, local administrative organizations need to be strengthened effectively to carry out decentralized development functions. Participatory

¹Office of the National Economic and Social Development Board, *The Ninth National Economic and Social Development Plan*, <http://www.nesdb.go.th>, 20/08/03, 67-69.

² *ibid*, p.71

processes at all levels should be supported to ensure that the benefits of development are more equitably distributed among the people, particularly the poor and underprivileged.³

Meanwhile, measures are needed to create economic ares linkages throughout the country in order to create the reality of economic development. Some regional investment projects, such as a casino establishment, were proposed in some local areas such as Chiang Mai as a good option for economic development to gain more revenue from taxation, license fees and business growth including tourism and related industries. This investment would help Thailand's internationally competitiveness, based on the comparative economic strengths of region. Emphasis would be placed on efficient and sustainable resource use, based on the economic potential of the region.⁴

As mentioned in Chapter Five, the introduction of a casino helps secure a greater proportion of the amount tourists spend in the region and in Thailand. Although, casino gambling in Thailand is illegal, people's attitudes towards casinos are changing following their experience of casinos overseas or from what they have seen, read, or heard in the movies, media or from someone who they know. A casino proposal was first submitted in 1972, when the Thai economy was flowering, export and tourist industries were expanding, and the private sector aimed to establish a casino in a big hotel in Bangkok to attract tourists and establish Bangkok as a centre of the tourist industry of Asia. At that time, the proposal was criticised by decision-makers and there was both agreement and disagreement, but there was no response from the government. The following year, some Members of Parliament asked to review the establishment of casinos but instead the government offered specially promoted tourist places, and an increase in taxes on cigarettes and liqueurs. Even though the casino issue was ignored at that time, in 1978 once more a group of Members of Parliament presented a proposal to establish casinos. This time, they settled on the location of the casinos in local areas such as Pattaya and Phuket⁵ but again there was no response from the government. Moreover, in 1979 a new private investor tried to get approval from the government to operate a casino somewhere near the Burmese boundary. None of the proposals were approved by the government.

These attempts to introduce a casino show the continuing interest in such a development. The investors emphasised all the benefits of having a casino in Thailand while

³ Office of the National Economic and Social Development Board, *op.cit.* Pp.67-69.

⁴ *Ibid.*

⁵ Both of them are well-known tourist beaches in Thailand.

the opponents argued the disadvantages and the casino proposals failed.⁶ Since 1999, a member of new political party tried to present new ideas to solve the serious economic problems which hit Thailand in 1997, including a review of the casino establishment proposal. The reason for introducing a casino was to help solve major economic problems by promoting the tourist industry in the country. The economic environment of the late 1990s and early 2000 now differs from previous times and the general attitude toward casino gambling appears to be more acceptable to the public as will be outlined below. Nonetheless, there are, of course, discussions, views and still many different perceptions towards casinos and gambling which fail to bring about an agreement on the subject.

Placing a casino is one of the popular issues of casino development. In terms of economic development, Thailand has achieved an exceptional record since the 1970s, as witnessed by the rapid expansion of the national economy at an average rate of 7.8 per cent per annum between 1997 and 1998.⁷ In addition, sustained public investment in economic and social infrastructure has made a significant contribution to an overall rise in incomes, living conditions and the quality of people's lives. However, despite the impressive rate of economic growth, most of Thailand's economic activity and prosperity has remained concentrated in Bangkok and surrounding provinces. The average per capita income inside the Bangkok Metropolitan Region has been consistently higher than that found outside. As a result, the rapid growth of Bangkok has created a number of problems as the major attraction for the rural people to migrate and look for jobs. One of the arguments for establishing a casino in the rural areas is to attract people back to the region instead of a big city like Bangkok. The idea of a casino establishment which has been the main idea of development since the Eighth Plan has been targeted at regional cities.

To support the idea of decentralisation and rural development, the Ninth Plan development guidelines proposing strategies for urban and rural development which focus on empowering grassroots communities in both rural and urban sectors with participation of all development partners a major key to success. Local administrative systems will be restructured through a process of popular participation, so that grassroots economies will be

⁶ Boonsuwan, Kanin. 'Casino, whose benefit?' *Siamrat Weekly Mail*. (May 1990), p.6.

⁷ Office of the National Economic and Social Development Board, *op.cit.* p.12.

stronger and more self-reliant. Consequently, employment opportunities will be created, incomes will be raised, and poverty in both rural and urban areas will be eased.⁸

However, the possibility of an economic development proposal such as a casino in the region is not simple as it is involved with local government authority and central government power. There are some limitations on the local government seeking to establish a casino arising from the terms of Municipal Acts.

6.2 Possibility of a Casino in the Region

Even though the municipality is established according to the principle of decentralisation of power, the relationship between the national and local government has limited local government authority due to the fact that the local governments or municipalities do not have a high level of financial autonomy. Local governments are subject to the control of a national administration which relies on two mechanisms: the supervision of municipal actions through the provincial governor and the supervision of municipal personnel management to control the municipality.

A relevant statement of what action a municipality may take under the Municipal Act 1953 is outlined in Chapter 4: the actions of the municipality are for the inspection of project validity or the legality of decision made by municipality. The purpose of these actions is to prevent the municipality from violating the laws by inspecting the projects or proposals to ensure they comply with the laws or regulations which will then be approved by the government. The municipality requires the approval from the government before implementing these actions:

- borrowing money from government agencies such as ministers, departments or from other legal entities.
- establishing partnerships with other parties, the holding of shares in certain companies or the changing of the number of shares in the companies.
- undertaking extra-territorial activities which are necessary to be implemented and are relevant to the activities or projects which are being carried out inside the municipal area on condition that approval must be secured from the counterpart municipal council and other relevant local government units.⁹

⁸ *Ibid.* p.49.

⁹ *The Municipal Act 1953*, article 42.

Establishing a casino in Chiang Mai is not directly related to any of the activities which need approval from the national government. Moreover, through the responsibility of the mayor and deputy mayors, they can make decisions for "...matters which concern new ideas which have to be accommodated by a new project or programme or regulation"¹⁰ but gaming legalisation needs the permission of the central government.

While there are still many questions about introducing the casino legislation, authority to approve legislation on gambling and resulting revenue allocation, none of the casino development proposals have been approved, even though it has been called for by many local politicians. As will be shown in Chapter 8, decision makers of Chiang Mai's Municipality see a casino development as the means for local economic and enhancement of democracy.

It is normal that political systems in large regions usually have many problems to solve. The Chiang Mai Municipality is no different. It faces financial problems, management difficulties, conflicts between parties and between local associations.¹¹ Therefore, the municipal administrators have to deal with different kinds of problems while managing the political situation. A casino is proposed as an important means of solving important aspects of Chiang Mai economic problems and for strengthening local government administration, as urged in the Plan's guidelines. The thesis examines the proposal to introduce a casino to a region in the North of Thailand in Chiang Mai which is the centre of the tourist industry, commerce, education, international trading and communication of the Northern part of Thailand. The local government unit, the Chiang Mai Municipality, has very limited income and relies heavily on contributions from the central government for community development. This financial dependence has impeded the idea of decentralisation for the local government since it lacks of the authority and independence from central government in local administration or in making decisions on local development plans and policies.

The next section considers the background of Chiang Mai and includes Chiang Rai as a control case in terms of examining attitudes to a casino possibility. The brief history of gambling in Thailand is outlined to provide a base idea of gambling in the past and present situation. Finally, it is necessary to understand attitudes to the idea of a casino and what steps the local government should take to explain the main issues, how decisions will be made and how local governments propose to deal with policies.

¹⁰ See the scope of responsibility of the Municipal Board of Executives, in Chapter 4

¹¹ See the detail of Local Association in Chapter 4.6.

6.3 Study Group: Chiang Mai

6.3.1 History and Demography

Chiang Mai is an ancient province located some 800 km north of Bangkok. Under the Mengrai Dynasty the province¹² became the capital of the rapidly rising Lan Na Kingdom which, in the fifteenth century, covered most of the modern northern provinces of Thailand. Chiang Mai was conquered by the Burmese in 1558 and the Lanna Kingdom came under its authority for nearly 200 years. After the new Thai kingdom was founded in 1767, the ensuing struggle for supremacy over northern Thailand left Chiang Mai devastated and deserted by its greatly decimated population. At the end of the eighteenth century the Chakri Dynasty rebuilt Chiang Mai and made it the capital of a princely ruler, who established a local line of hereditary ruler in the province. However, the centralising reforms initiated by the 5th King progressively curbed Chiang Mai's semi-autonomous status towards the end of the nineteenth century. By that time, Chiang Mai had again grown to a big city with a population of 20,000 to 30,000. After the opening of Thailand to foreign trade following the *Bowring Treaty* in 1855, the expansion of foreign logging interests into northern Thailand and the British conquest of Upper Burma in 1886, Chiang Mai gradually changed from a traditional princely residence to an interregional trading centre. This change was facilitated by Chiang Mai's favourable location at the crossroads of the caravan trade between Yunnan, Burma, Laos and the lower part of Thailand. Increasing river trade with Bangkok led to a sizable influx of overseas Chinese and the expansion of the city into the areas east of the moat. The arrival of the railway in Chiang Mai in 1921 spurred another wave of Chinese immigration and marked the beginning of a settlement on the east bank of the Ping River. The eastern part of the province, where merchant communities settled, became the nucleus for Chiang Mai's present day central business district.¹³

While urban development stagnated in the year of the Great Depression and subsequent wartime, the city's physical appearance began to change rapidly in the 1960s. Massive infrastructure investments included road construction, an international airport, a university and communication facilities. Urban growth shifted to the western and northern parts of the city and led to a substantial expansion of city boundaries in 1983, increasing the municipality's jurisdiction from 17.5 to 45 square kilometres. In 1985, Chiang Mai became one

¹² Chiang Mai Province contains 17 districts. City centre or municipal area is one of the districts which are governed by the Municipality.

¹³ Daungjai Chareonmaung, 'Look at Previous days of Chiang Mai', *Lanna's Newsletter*, Social Science Institute, Chiang Mai, November 1995, p.12.

of four cities selected by the central government for the *Regional Cities Development Project*, a large-scale infrastructure investment package designed to stimulate economic growth in the regions and to divert migratory streams away from Bangkok.

By 2000 Chiang Mai City Centre had a population of 167,776 making it the third largest city in Thailand - exceeded only by Bangkok (6,320,174) and Nakorn Ratchasima (204,391).¹⁴ Annual economic growth rates in 2000 are estimated to have exceeded 10 percent margin. Chiang Mai has become a major centre of tourism and a marketing and service centre. It has benefited greatly from increased agricultural commercialisation, the advent of many international development agencies and its strategic location in the lucrative, yet illegal, cross-border trade with Burma and Laos. The manufacturing sector is little developed and provides only about 15 percent of jobs in Chiang Mai. Most establishments are in the small-scale category and concentrated on agro-industrial activities.

6.2.2 City Development Plan

Chiang Mai municipality has developed a five-year development plan for the years 2002-2006 and its objectives, targets and strategies are related to Thailand's Ninth National Economic and Social Development Plan (2002-2006). As outlined in Chapter 2, the Ninth Plan is particularly concerned to promote the participation of all sectors in the region in formulating, programming and implementing the plan. It also assumes their participation in the monitoring and evaluation of development efforts. The Ninth Plan also implicates sustained development, and a greater ability to respond to the needs of the local people in the region. In formulating the city development plan, local people from Chiang Mai's business sector, government, and social groups participated in drafting the Municipal Plan from its inception. In addition, the municipality surveyed the needs of the development of local people and co-ordinated with the every agency of central government such as provincial governor and directly to the Ministry of Interior to ensure the proposal development was in concurrence with the Ninth Plan, and was sustainable.

Genuine sustainable development for the city in the future depends on the degree to which the potentialities and creativity of the local people are strengthened and enhanced. For this reason, the city development plan has followed the Ninth National Economic and Social Development Plan, which has adjusted the development concept, shifting from a growth orientation to a people-centred development. The state of the people is considered to be the

¹⁴ 2002 Thailand Population Data, [http:// www.chula.ac.th/INSTITUTE/IPS/thai2002.htm](http://www.chula.ac.th/INSTITUTE/IPS/thai2002.htm), 27 April 2004.

final measure of success: economic improvement is treated only as a means to improve the well-being of people rather than as the final objective of development. The planning process will also be shifted from a compartmentalised to a more holistic approach from the beginning, seeking to contribute to the whole system rather than trying later to integrate separate sectors, in order that the majority of the local people can realise genuine benefits from this development plan.¹⁵

To attain the objectives and targets of the city development plan, for the first time, there are two new sets of key strategic approaches proposed in the Ninth Plan. The first is the establishment of good governance, which involves the strengthening of a harmonious relationship between the local government and the local people, through the collaborative and participatory efforts of all parties in the society, with the provision of guarantees for freedom, human rights and equity, and the settlement of conflicts through peaceful means. The second strategy is the reform of the development administration for effective translation of the plan into action. This requires a development system based on an area approach including the integration of functions and the participation of all stakeholders. Improvements to the efficiency of public government agencies at the local level, particularly in budget and personnel management is required together with the development of indicators suitable for the monitoring and evaluation of holistic development.¹⁶

To deal effectively with the challenges of a great deal of social change in Chiang Mai, as well as the present unbalanced pattern of development - characterized by economic success combined with social problems and threats to sustainable growth - and in order to realise the long term vision, the Chiang Mai development plan sets the following objectives for development:

- 1) To foster and develop the potentials of all, in terms of health, physical well-being, intellect, vocational skills and ability to adapt to changing social and economic conditions.
- 2) To develop a stable society, strengthen family and community, support human development, improve quality of life and promote increasing community participation in national development.

¹⁵ National Economic and Social Development Board, *op cit.*, p.1.

¹⁶ *ibid.*

- 3) To promote stable and sustainable economic growth and to empower the people to play a greater role in the development process and receive a fair share of the benefits of growth.
- 4) To utilise, preserve and rehabilitate the environment and natural resources in such a way that they can play a major role in economic and social development and contribute to a better quality of life for the people in the region.
- 5) To reform the system of public administration so as to allow greater participation of non-government organisations, the private sector, communities and the general public in the process of national development.¹⁷

The objectives of the Chiang Mai Development Plan emphasise fostering, developing and promoting the peoples well-being both physically and in terms of their skills so that they can face social and economic changes. However, the plan sets down conditions for economic change seeking a stable, sustainable and fair allocation for everybody in society. Besides that, development in every structure will be concerned with the environment and with natural resources. At the same time, the issue of participation is raised in topics relating to human development, improvement in the quality of life and the promotion of increasing community awareness.

To attain these objectives, the city development plan sets the following development targets to be used as indicators of success:

- 1) Increase the availability of good quality care and education for well-balanced early childhood development.
- 2) Improve the quality of education at all levels; extend basic education from six to nine years to all school aged children; provide continuous training for all school teachers and work towards the further extension of basic education to 12 years.
- 3) Upgrade the skill and basic knowledge of industrial workers, particularly in the 25-45 age groups.

¹⁷ Chiang Mai Municipality, *The City Development Plan 2002-2006*, Chiang Mai: Municipality Office, 2002, p. 5.

- 4) Provide opportunities for underprivileged groups to realise their full development potential, and increase their access to basic social services.
- 5) Reduce the number of preventable accidents, particularly focusing on the workplace, traffic, the transport of toxic chemicals, and fires in high-rise buildings.
- 6) Promote investment in rehabilitation and protection of urban, regional and rural environments.¹⁸

The targets of the development plan are used as indicators of success which is about the availability of formal education development and informal education for vocational skill, basic knowledge and for underprivileged groups. The next target is to reduce the number of preventable accidents. In terms of economic targets, the indicators are set to safeguard economic stability, protect domestic savings, and ensure infrastructure provisions in the regions and rural areas to reduce the incidence of poverty. Concerning the environment, the plan is targeted at the reservation of forest areas and aims to increase awareness of sustainable alternative agricultural methods.

To reach the targets of the Chiang Mai Development Plan, the strategies emphasise developing human potential in line with all development potential in areas such as the learning process, spiritual, basic education, health, family and intellectual development. The strategy of local development is formed to be in line with the Ninth Plan proposals to redistribute income and decentralise development activities to regional and local areas with promotion of participation in the development process. The emphasis of economic strategies also conforms to the Ninth Plan which aims to support stable and sustainable economic growth, to restructure production in global markets and to develop science and technology. Environmental issues are aimed at conserving and rehabilitating natural resources as well as maintaining and upgrading the environmental conditions in the country. An interesting important strategy is to promote in people an understanding of public policy and to encourage wide participation in the determination of political and local conditions, given that if people understand and pay attention to public policies, they can suggest and participate in those policies and so make the policy workable for people in the region.

¹⁸ *ibid.*

6.2.3 Political and Public Policy Issues

Local government administration has been shaped by a top-down process rather than from local demand at the grassroots level of people where there is a lack of awareness for self rule. People in Chiang Mai typically think of the municipality as governed by 'the above' body. Local policy implementation was shown by the top-down process and local government became a matter of powerful groups of leaders¹⁹ who delivered a portion of authority to the local people. The top-down process has affected public participation and local development as people do not see the importance or authority of local government. Then, the local government cannot ask people to participate because there is not any project created by the local people. This awkward situation is referred to in the Ninth Plan which outlined in Chapter 2 that one of the Plan's development strategies includes empowerment of communities through the process of participation. The Plan also proposes the idea of decentralisation of works and responsibilities to local administrative organisation. However, the scope of local autonomy is often a controversial issue for democracy and decentralisation as local government bodies are still subject to central government supervision in any projects and need sufficient government subsidies to carry their relevant missions.

In terms of financial status, the Chiang Mai municipality does not have sufficient income to perform its responsibilities, outlined in Chapter 5. Despite having increased income rates it cannot match the rapid growth of development projects in response to population expansion and the municipality is forced to depend on government subsidies. Table 6.1 shows that the main income of Chiang Mai Municipality comes from central government allocation.

Taxes are the major revenue for the region. However, it is shared among national and all local governments, with the national government as the tax distributor. All taxes²⁰ in Chiang Mai are collected by the Municipality and the required portion sent to the central government office where allocations are then made to the regions. Table 6.1 shows that revenues of Chiang Mai municipality are mainly from the central government. For example in year 2000, the central government allocated 45.3 percent of tax revenue to Chiang Mai Municipality and funded 26.1 percent for the specific grant for special cases, subsidy and grants-in-aid. Local revenues, derived from local taxes, licenses, fees and fines, Municipality properties, utilities

¹⁹ Power of leaders usually comes from economic influence and political interest.

²⁰ The municipal taxes revenue has been determined by the Municipality Revenue Act 1954, Article 4-8, 10-13 and Article 15 are included: house and land tax, land development tax, sign-board tax, slaughtering excise and fee, value added tax, specific business tax, road vehicle tax, rice export and petroleum product tax, liquor tax, and gambling tax, despite gambling being illegal.

and Municipal enterprises, provided only 28.6 percent of the revenue. The proportions in later years are similar as in 2001, the revenue from the central government was 70.8 percent and it was 76.5 per cent in 2002. These figures are shown that the Chiang Mai municipality is financially dependent and all development projects have to be approved by central government as the main funding organisation.

Table 6.1: Municipal Revenue 2000-2002

	Thai Baht x 1000		
	2000	2001	2002
Taxes			
-Local taxes collected by Municipality	74,130	88,452	76,000
-Local taxes collected on behalf of Cent.Govt. and partly reallocated to Municipality	102,436	119,376	107,200
-Allocated by Cent.Govt.	95,233	100,764	110,000
License, fees and fines	19,921	17,738	19,739
Municipal properties	23,300	25,202	24,723
Utilities and municipal enterprises	7,627	8,127	10,050
Specific grant for special cases	97,051	107,909	197,610
Subsidy	6,310	8,186	6,220
Grants-in-aid	10,500	1,511	3,590
Total	436,508	477,265	555,132

Source: Chiang Mai Municipality Annual Reports 2001-2003

However, the process of allocation takes time despite the fact that the ratio of tax distribution has already prepared for this allocation. There should be no obstacle for this

waiting period of budget subsidy as the municipality has greater amount of expenditure in every year. Table 6.2 presents the expenditure in Chiang Mai for the period 2000-2002.

Table 6.2: Municipal Expenditures 2000-2002

	Thai Baht x 1000		
	2000	2001	2002
Contingency expenditure such as debt service and obligation expenditure	24,019	32,943	38,699
Expenditures of departments of municipal office	239,304	254,913	308,153
Extra Expenditures	-	1,599	2,267
Special case 1 expenditure	40,206	68,136	58,592
Special case 2 expenditure	31,955	45,059	55,532
Community development expenditure	5,390	3,984	8,940
Maintenance expenditure	16,050	17,857	19,578
Public health expenditure	2,080	71	151
Expenditure for poverty project	-	-	75
Expenditure for tourism promotion	-	-	51,524
Expenditure for investment	-	-	912
Expenditure to support urgent projects	10,500	1,511	3,590
Total	369,504	426,073	548,012

Source: Chiang Mai Municipality Annual Report 2003

It is shown in this table that the Chiang Mai Municipality does not have many development projects as there are not enough budgets from them. Most of the expenditure is to the departments of municipal office which is about salary and office expenses. The expenditures for public health, investment and poverty project are very small (only 0.02

percent for public health and 0.001 per cent for poverty project in 2002). This factor causes some problems such as dependency on the government subsidy which means city development policies tend to follow those of the national government guidelines, instead of local needs and initiatives. Meanwhile, regular revenue sources are not deemed properly proportionate to municipality responsibilities. Revenue collected is not sufficient for some urgent project implementation. As a result, local performance by the municipal authority is not up to the public satisfaction due to insufficient income. In turn, this leads to limitation of public participation.²¹

It has been noted that the main problem of the municipality is its limited revenues. The municipality is forced to provide a limited scale of services due to the financial difficulties and an insufficient budget to render quality administrative services. Also, lacking local autonomy, most local authorities are discouraged from performing wider roles for public services. Therefore, the public has low expectations of the municipality due to insufficient service.

As mentioned in Chapter Four, the Minister of the Interior and many local governments have often tried to find ways to solve this problem. An interesting solution to this problem is a new source of revenue possible from gambling taxes and license fees. Chiang Mai municipality has considered this solution, but dealing with gambling is a sensitive issue in Thailand and there is only one legal gambling operation - the government lottery. Details of the overview of gambling and public attitudes to gambling in Thailand will be presented later in this chapter.

6.4 Control Group: Chiang Rai

Chiang Rai is medium-sized province located on Thailand's Northern boundary with Myanmar. The province covers some 11,678 square kilometres with a population of 1.23 million. It was founded near Doi Jomtong on the banks of the Kok River in 1263 by King Mangrai. In 1596, Chiang Rai was set to be the first capital of his new Lanna Kingdom before he discovered Chiang Mai. Tourism is an increasingly important business in Chiang Rai, serviced by its hotels, guest houses, restaurants and souvenir shops, and the tourist activities such as trekking tours to visit hill-tribes, dirt bike rental and elephant riding.

Chiang Rai province is not as big when compared with Chiang Mai. In 1972, the population in Chiang Mai was 1,048,355, of this, 154,463 people were living in the municipal area. By 2002 Chiang Rai city centre had not grown much with only 172,290 people, but the

²¹ This statement is supported by attitude of opinion leaders which will be outlined in Chapter 9.

population density of the province had increased from 45 people per square kilometres in 1972, to about 78 people in 2002. On the other hand, population in Chiang Rai Municipal area in 1986 was only 37,847. However, there has been significant population boom since 1986. In 2002 the population in the municipal area had risen to 52,952. As business grew, people came to the municipal area for education and employment. The population's densities in Chiang Mai and Chiang Rai provinces are now over 108 people per square kilometres.²²

The political environments in the two cities are different. Chiang Mai is one of the city municipalities and has been granted First Class status since 1933, while Chiang Rai has not moved beyond its Second-Class status granted in 1921. Although under close supervision of the Minister of the Interior's Department of Local Government and the provincial Governor, Chiang Mai has a fully elected municipal assembly of twenty-four members with limited decision-making powers, while for the same process, Chiang Rai has eighteen elected members of its municipality. In both Chiang Mai and Chiang Rai leaders of the majority faction in the assembly are elected mayors, with formal appointments by the provincial governors. Chiang Mai and Chiang Rai municipalities are recognised under the Municipal Act 1953,²³ with each comprised of a municipal council with elected members who have five-year-terms in office, the municipal executive board with a mayor and 4 deputy mayors, and municipal career officials.

In the past, Chiang Mai's political culture has been characterised by a low level of participation and mobilisation. Voter turnout in municipal elections has been very low. For nearly twenty years, Chiang Mai City Hall was firmly controlled by a group of local politicians called the Anathaphum group which enjoyed overwhelming majorities in the municipal assembly until July 1999 when it was defeated at the polls by the Chiang Mai Kunnadam group, a newcomer in Chiang Mai politics with strong connections to Chiang Mai's business class. The political culture in Chiang Rai has not changed much since 1989. The Chiang Rai Pattana group has been the main group in the municipality without defeat, although the leader of that group has changed. In the last election (1999), all of the Chiang Rai Pattana members were re-elected. Chiang Mai became more polarised and competitive as the urban arena changed from a 'dominant party' system to a 'two party' system. Chiang Rai, on the other hand, has a dominant party system.

²² 2002 Thailand Population Data, <http://www.chula.ac.th/INSTITUTE/IPS/thai2002.htm>, 27 April 2004.

²³ *ibid.*

In terms of economic development, the tourist industry is a good opportunity for both cities to promote their geography and cultural environment. At the end of the 20th century, tourism was booming and public safety and quality of life was unsurpassed in the region. The Lanna society remains tolerant of the diversity while respectful of tradition, according full religious freedoms. Transportation, communication and waste disposal infrastructure are adequate by international standards, while the pursuit of higher education and self-improvement are extremely popular. Dialect languages remain widely used, native customs remain well observed, living costs are low due to local self-reliance, and the prospects of major disruptions minimal.²⁴

Before the 1990s Chiang Rai was just a small, quiet town with not very much going on, and little in the way of opportunities or things for a visitor to do, while Chiang Mai was already a big city with a great number of tourists. However, that has certainly changed, and Chiang Rai is booming while the number of tourists in Chiang Mai has decreased. Nevertheless, Chiang Rai is still below Chiang Mai in terms of tourist and economic centre. Chiang Mai has been giving consideration to ways of developing the tourist industry and proposed casino establishment as one of the strategies to boost tourism as a means of improving economic conditions.

In exploring such a proposal, it is important to determine whether it would be possible and what the local people thought about that. The attitudes of municipality officers, private association leaders and some technocrats in Chiang Mai and Chiang Rai will be presented in Chapters Eight and Nine. Before then, the history and situation of gambling in Thailand is outlined. This will consider the situation and the result of legal and illegal gambling which will be important as identifying the opportunity or threat of the casino establishment in the region.

6.5 Gambling in Thailand

It is understandable that a place dedicated to gambling is seen as causing some problems, as discussed in Chapter 5. However, gambling has long been part of the Thai way of life. It is controversial that gambling is against the percept and feeling of Buddhism, is not permitted in law, and yet the central government has generated revenue by providing regular gambling for people.

²⁴ Daungjai Chareonmaung, *op cit.*, pp-39-44.

6.5.1 Overview of Gambling

The only legal gambling in Thailand is the government lottery, introduced to Thailand in the reign of King Rama V in 1872 to generate funds for charity. Then, the government occasionally conducted draws as a tax collection device. In 1939 the government established the Lottery Bureau to organise a regular monthly draw which was extended to twice a month until 1944. In 1945-1950, there were three draws per month and another extension was made between 1951 and 1964. The lottery was drawn three times per month between 1965 and 1975. Since 1976, the bureau has run two draws a month with fourteen million tickets sold in each draw. It is remarkable that even though the draws of lottery have been changed, the Gambling Act 1935 did not need to be considered again. Moreover, there were twelve to fifteen special charity draws per year with eighteen to twenty million tickets per round, also organised by the lottery department. Thus, the charity lottery uses the same legislation as the regular-approved lottery but the profit of the revenue goes to some specific urgent needs such as hospitals, orphanages or natural disaster funds together with other fundraising activities. In 1994 the total sales of government lottery tickets amounted to 13,440 million Baht: in addition, the charity lottery generated another 10,800 - 13,200 million Baht per draw. From 1996 the charity draws were absorbed into regular draws and came to take place twice a month on different days from that of the government lottery. In each round, there are a total of thirty-eight million tickets, with fourteen million of those ordinary tickets which are for normal sale, while another five million tickets are earmarked for sale by the disabled and seventeen million tickets for charity. The lottery department keeps one million tickets for reserve. Twenty-eight percent of the sales go to government revenue, spending on administration and management costs for twelve percent, and the remaining sixty percent is returned to players as prizes.²⁵

Apart from the government lottery, there is no kind of legal gambling,²⁶ but illegal gambling is everywhere in Bangkok and in the regional cities, and includes underground lotteries, soccer betting and casinos.

²⁵ www.glo.or.th (15/06/01).

²⁶ There may be an argument for horse race betting. Legally, horse racing is not meant for gambling. Organisers seek permission for the races while people pay for tickets to see the races, but betting is illegal.

Legally, casinos²⁷ have not been legislated yet in Thailand but the games in casinos are found informally everywhere in gambling dens. One English-language newspaper²⁸ reports a police source which estimated that there are as many as 200 gambling dens open regularly in Bangkok. In other regions, around ten of them are in the Chiang Saen District of the Chiang Rai province. Those gambling dens can most likely stop a gambler from going to the big casino just outside Thailand's border with Burma, which can be accessed from Chiang Saen by shuttle boat.

Gambling dens had been allowed legally in Rama III's reign (1824-1851) with governments promoting gambling dens as a source of revenue.²⁹ The gambling tax from gambling and lottery provided a large percentage of government revenue. The negative impact of gambling affected people who became addicted and fell into crime, bankruptcy, and idleness. The government was concerned these problems were related to gambling and closed all legal gambling dens in 1917.³⁰

Gambling was still a good source of revenue for every government. Therefore, in 1930, the first Gambling Act was passed, allowing gambling dens. The government tried to set difficulties to avoid gambling problems by restricting well-to-do patrons regarding their economic status. However, the negative effects on some people resulted in the government being blamed as a promoter of gambling. Under moral pressure from public and media, the government abandoned the attempt to earn revenues from gambling and re-imposed controls on gambling. Eventually, all legal gambling dens were completely closed down in 1935.

Even though gambling was not permitted by law, it has never been suppressed and attitudes have ranged widely. Some groups blame gambling for causing social problems while the others argue its benefits. Gambling remains illegal and, furthermore, it leads to corruption of public officials such as the police, high-ranking army officials, and politicians to find

²⁷ The word 'casino' has been defined as a public building or room in which gambling takes place, especially roulette and card games such as baccarat and blackjack. This word usually brings up images of Las Vegas establishments. Even though there are no such casinos in Thailand, gambling has been occurring in illegal discreet gambling places with most of the games played the same as those in casinos. However, those places are not public buildings like casinos. Hence the places covered by this chapter will be referred as 'gambling dens'.

²⁸ *Bangkok Post*, 24 September 1996, pp.1 and 13.

²⁹ The gambling dens were allowed during the Rama III reign (1824-1851) but there is no evidence what year the gambling dens exactly opened.

³⁰ Thanongsak Thinsinuan, *Law of Gambling*, Bangkok, Phare Pittiya, 1986, pp.77-101.

another way for the convenience of the operation of gambling dens. Illegal gambling dens are revealed in *Guns, Girls, Gambling, Ganja*³¹ as being of three categories in Bangkok:

- *large gambling dens* which are operated by influential groups. There are about four to five dens in a big house with full security. These have a turnover of around a hundred million Bahts a day. There are about five large gambling dens in Bangkok.
- *Medium sized gambling dens*, which operate in an apartment. The turnover per day runs into millions of Bahts. The operators of these dens usually provide meals and have pawn services in the den as well. There are about 120-200 medium size gambling dens in Bangkok.
- *Small gambling dens*, which can be found in many parts of the city. Games are simple such as cards and dices. A daily turnover is around a hundred thousand Baht. There are about 61-100 small gambling dens in Bangkok.

According to the above information, there are possibly more than three hundred establishments in operation in Bangkok with a daily turnover of at least a billion Baht. The numbers are increasing every year, both in Bangkok and the regions.³²

It cannot be denied that gambling will continue to flourish, but increasingly beyond the reach and control of the authorities. The damage to society and economy is greater than would occur if gambling were legally controlled. Thus, the idea of a policy to control gambling and legalise the establishment and operation of casinos has been proposed.

However, looking around at public policies in other countries, there are two major approaches to gambling. The first one is to make it illegal and suppress it effectively with any breaking of the law resulting in fines or jail terms. The other approach is to admit that suppression is too difficult. Thus, legalisation is the way to bring gambling out of the dark corners of society and impose policies to extract some revenue for society instead of paying informal taxes to police and organised crime syndicates.³³ Many countries have accepted this approach, including the US, UK, Australia, New Zealand, South Korea, Macao, Burma,

³¹ Pasuk Phongpaichit, Sungsidh Piriyaangsan and Nualnoi Treerat, *Guns, Girls, Gambling, Ganja : Thailand's Illegal Economy and Public Policy*, Chiang Mai, Silkworm, 1998, pp. 16-25.

³² *ibid.*

³³ Pasuk Phongpaichit, Sungsidh Piriyaangsan and Nualnoi Treerat, *op cit.*, pp. 216-218.

Philippines, and Malaysia. The government saves on the cost of suppressing gambling and gains from increased revenue.

In Thailand, the Gambling Act of 1935 prohibits all gambling except under temporary licenses, which the police may issue for special occasions and/or short time-periods of no more than one day. A small license fee is applied and the location and time are strictly delineated. Games like baccarat, underground lottery, slot machines, dice and many others cannot be licensed without specific cabinet approval.

Even in the case of gambling under a license, the rule is very strict and unrealistic. The procedure for obtaining a license is complex. Each license covers only a short period of less than one day. Overstepping these limits is a criminal offence. The law lays down jail terms for offenders, but the court usually insists on no more than a fine of five hundred to two thousand Baht. It is not significant as punishment but the experience of police raids and the court process is embarrassing. Many gamblers take out insurance against such problems by paying bribes to the police. Practically, gambling organisers pay bribes to important officials so that their clients can gamble without having to follow the strict rules and regulations. Prohibited games such as baccarat, underground lottery, slot machines and dice are commonly found operating under the protection of some policemen. Meanwhile, some politicians and government officials are involved in the gambling network which becomes the cause of scandals among government and political parties.

Nevertheless, the official Thai government stand is that gambling should be suppressed. According to the report of illegal gambling as mentioned above, suppression is ineffective, corruption is encouraged and gambling is widespread.

6.5.2 Public Attitudes to Gambling

As mentioned in Chapter 5 casino gambling seldom becomes legal without substantial public debate despite increasing recognition of problem gambling. However, there is increasing acceptance of gambling as a mainstream recreational activity and tool for local economic and tourism development.³⁴ In 1981 an attitude survey of decision-makers in Thailand³⁵ reported that most senators and Members of Parliament believed that the disadvantages of establishing

³⁴ Eadington, William R., *Casino Gaming: Origin, Trends and Impacts*, New York, Timpack, 1995, p.170.

³⁵ Suruyamane, Chankanit, *The Establishment of Casinos in Thailand: Trends and Impacts*, Bangkok, Thammasart University, 1981.

casinos would outweigh the socio-economic gains. At that time, they opposed the establishment of casinos.

Later, in 1996, a survey of attitudes towards gambling in Thailand was conducted with educated and professional respondents such as bankers, business men, Members of Parliament, lawyers, and academics. The main issues of gambling were focused on some types of gambling such as underground lottery, soccer betting and casinos, none of which are legalised. The aim of the 1996 survey was to determine opinions on those kinds of gambling and whether they should be legalised. The result is significantly that of all types of gambling, only casinos have a majority in favour of legalisation (Table 6.3).

Table 6.3 Survey Responses to Question of Legalising Gambling (n= 272)

<i>Type of Gambling</i>	<i>Yes</i> (%)	<i>No</i> (%)	<i>No Opinion</i> (%)
Underground Lottery	42.3	50.4	7.3
Soccer Betting	39.7	43.4	16.9
Casinos	52.2	40.4	7.4

Source: Chulalongkorn University Survey, July-August 1996

Reasons advanced for legalising casinos include the fact that casinos are to be found everywhere, with developed legalisation guided by policy goals, such as allowing more revenue to be diverted from casino stake holders to better social benefit and controlling the poor and under-aged groups from gambling by strict door-guarding. In addition, legalisation for repatriating some of the income spent on gambling abroad is under consideration by casino supporters. Some believe casino legalisation would reduce the number of illegal establishments as gamblers will prefer the legal casinos on grounds of safety.

Those supporting legalising casinos admit that there will be negative impacts, but argue that they can be controlled by setting a minimum amount of cash for those entering, by limiting the age of patrons and by imposing strict policing. The conclusion of that issue is that "...the majority in favour of legalising casinos probably reflects the greater prominence of

casinos in public debate on gambling. More people have made up their mind about this issue. Many know that casinos are legalised in other countries”.³⁶

A survey in 2001 of 1499 people over 18 years of age in Bangkok asked whether there should be a casino in Thailand. A majority, 55 percent, disagreed and 38 percent agreed that there should be a casino in Thailand. Those agreeing thought that having a casino would bring more control over Thai gamblers who were spending in the casinos in neighbouring countries (84 per cent), provide new sources of income for local government (56 percent), encourage tourists (53 percent) and create new jobs (31 percent).³⁷

Some 73 per cent of opponents were of the view that a casino is the main way to access gambling and people can become easily addicted, while 65.4 per cent thought social problems would increase. Some respondents (47.6 per cent) commented that the casino would destroy the image of Thailand and 36.3 per cent gave religion as a reason in that Thailand is a Buddhist country where gambling should be banned.³⁸

However, to the question whether “a casino is more easily controlled than illegal gambling dens” 70.7 per cent of the respondents had no confidence, 14.7 per cent agreed and 14.5 per cent were uncertain. Meanwhile, 17.3 per cent of all respondents believed that a casino was a way to attract Thai gamblers to spend money in Thailand rather than somewhere else.³⁹

The 1996 survey shows that attitudes towards gambling had changed since earlier survey to become acceptable to the public, particularly, in the case of casinos. However, there are different perspectives, which have centred around two points of debate. The one prefers legalisation and argues from the standpoint of *practicality*. These respondents believe that gambling is widespread and that suppression does not work. The current practices support under-the-table-money, bribes and corruption. Legalisation would capture the income from taxation for social purposes, enable better controls and counter the role of influence. The other standpoint is argued on *principle*: there should not be any activity contradictory to Buddhist precepts. Legalisation would be seen to be legitimising, encouraging and endorsing gambling as a socially acceptable activity.⁴⁰

³⁶ Pasuk Phongpaichit, Sungsidh Piriyaangsan and Nualnoi Treerat, *op cit.*, p.217.

³⁷ Bangkok Poll Institute, 21st -22nd December 2001, cited by ‘Casino for Thailand: Sooner or Later,’ *Thairath*, 25th December 2001.

³⁸ *ibid.*

³⁹ *ibid.*

⁴⁰ Pasuk et al, *op cit.*, p.219.

One of the reasons for a lack of government support for casino establishment can be seen in the limited approval in public opinion polls. Possibly as many as twenty million people would be involved with each type of gambling. In one form or another, casino gambling would be around and would become part of everyday life in economic, social and political and public policy aspects. However, the 1996 survey indicated limited support for casino development and the 2001 survey showed only 38 per cent were agreeing to a casino establishment. In this situation, the government would be wary of introducing something with little support and lack of clear public opinion towards a casino apart from agreeing or not agreeing. The government needs more findings in terms of benefits and risks in all aspects of economic, social, political and public policy impacts.

6.5.3 Social Services Involved in Treating Gambling Problems

Social services are required to deal with gambling problems which are similar to those required to deal with alcoholism or other drug dependence. Unfortunately, there is no specific treatment for gambling problems in Thailand. However, there are some interesting specialised programmes providing treatment for gambling problems in many countries which can be adapted to treat problem gambling in Thailand, such as telephone counselling providing information, counselling on a 24 hour basis and referral.⁴¹ Nevertheless, it should be an obligation that no casino should be established in any region of Thailand unless there are social services which can deal with gambling problems directly in that region.

6.5.4 Economic Impact of Gambling

Thailand is in an interesting situation where gambling is widespread, and the government obtains revenue from the government lottery. Yet a majority says they do not want gambling to be legal and there is no support service for gambling activities. It is a source of corruption which is a concerned issue in the Ninth Plan. One view could be that one kind of legal gambling is benefit enough and the government does not want to change that. Another view could be that issue is too difficult to deal for the government. Yet another view is that it is now time for reform in this area, to ensure the financial benefits of gambling bring activities out into society and carry out several of reference proposes in the Ninth Plan.

⁴¹ Department of Internal Affairs Policy Unit, 1995 *Reviewing of Gambling: A Discussion and Document*, Wellington, pp.114-115.

With only one form of legal gambling in Thailand, the evidence of gambling and its economic impact is obviously provided by the government lottery office. The government lottery has quite a big range of economic impact as a source of government revenue as the following details in table 6.4 shows:

Table 6.4 Government Revenue from Lottery between year 1992 and 2000

Year	revenue (million Bahts)
1992	4,131,201
1993	4,215,720
1994	4,265,645
1995	4,297,374
1996	4,337,546
1997	4,311,067
1998	7,340,499 ⁴²
1999	7,304,891
2000	9,373,439 ⁴³

A lottery ticket costs 40 bahts. The revenue gained is divided in 5 ways: 1) 60 percent (24 Bahts) to prizes, 2) 28 percent (11.20 Bahts) to government revenue, 3) 7 percent (2.80 Bahts) to commission for sellers, 4) 2 percent (0.80 Bahts) to discount for disability sellers and 5) 3 percent (1.20 Bahts) to expenditure of the lottery bureau.⁴⁴

Even though the government gets only 28 percent of the revenue, it is still a great deal and it is getting bigger in every year as Table 6.4 shows. Therefore, the central government is only one organisation in the country to have fully benefited from the lottery. If there were a casino in the region and people (from both region and outside) would pay more attention and spend more in the casino than the government lottery, the government would lose the benefit

⁴² The Governmental Lottery Office has increased the amount of tickets since 1998.

⁴³ *Ibid.*

⁴⁴ www.glo.or.th (15/06/01).

and this kind of revenue would be less. The revenue would go directly to the local government instead of to central government: in effect it would be a reallocation to the region which would be of concern to the central government which would lose its power of governance, yet this is what the Ninth Plan is calling for.

In terms of illegal gambling, the estimated size of the illegal economy⁴⁵ in Thailand between 1993 and 1995 generated 286-457 thousand million Bahts per annum.⁴⁶ The largest contributor was gambling with the amounts of money circulated in gambling dens the highest.

The same report estimated that the figures on gross income of all gambling dens in Bangkok should be about 27,285 to 134,780 million Baht while the estimated total annual turnover of regional gambling dens is between 8,820 and 142,200 million. The nationwide annual turnover in 1996 was 224,629-816,100 million Baht. The owners do not need to pay gambling tax, license fees, employment welfare or social contributions of this income, but they do pay for bribes and organised crime syndicates.⁴⁷

Sangsit Piriyrangsan, Vice-Chairman of the Socio-Economy Counsellor Association, reports that it is a high cost for the Thai economy, particularly in the case of soccer gambling among the teenagers. The research comments that even though there are no legal casinos in Thailand, Thai gamblers have the chance to go to casinos in other countries. It is worrisome that on a weekday people spend about one billion Bahts per day and about 2-3 billion Bahts on weekends and public holidays. These figures do not include other expenses such as food, drinks, souvenirs or expenses in informal businesses such as pawn brokers and personal loans.⁴⁸

A businessman who gambles said that he went to casinos for recreation. It was no different from going to a night club or sports club and spending money was no different to when his wife spends for her shopping. He believes there are some positive impacts of a casino establishment in that it will reduce gangs and Mafia involvement in illegal gambling places and those gamblers will not go to casinos around the borders because they can gamble legally.⁴⁹

⁴⁵ The illegal economy includes drug trafficking, trading in contraband arms, oil smuggling, prostitution, trafficking in people and some kinds illegal gambling such as underground lottery, soccer betting and gambling dens.

⁴⁶ Pasuk Phongpaichit, Sungsidh Piriyrangsan and Nualnoi Treerat, *op cit.*, pp.7-8.

⁴⁷ *Ibid.*

⁴⁸ WWW.Thairath.co.th/24 December 2001.

⁴⁹ Taupoon, Chat, *A Man Called 'Chat'*, Bangkok, Sairung. 2000.

One of the questions for this issue is the trend of casino establishment in Thailand and if Thailand is ready for a casino. As a policy decision, Sangsit comments that...

A casino should have been establishment at least 10 years ago. We have delayed which made us lose 400,000 million bahts per year to other casinos and it is going to be 900,000 million bahts soon. We cannot still wait until we are ready because we have to learn and solve problems in a real situation and we'll know what we should do.⁵⁰

He concluded that the economic impact of illegal gambling involves a great deal of money but there is no benefit to society. Besides that, he suggested a policy for casinos should be as perfect as possible before opening, such as controlling the age of patrons and using a membership system where every patron has to prove bank statements and their source of income.

6.6 Conclusion

The Ninth National Economic and Social Development Plan encouraged the development of restructuring strategies focused on area-based management to promote sustainable and balanced rural and urban development, fostering supportive linkages between urban and rural economies to distribute economic and social opportunities equitably so that, in the long run, people living in rural areas will have the same quality of lives as urban residents. One target of the plan aims to increase sources of income in the region which will reduce dependence on central government and get rid of corruption. Systems to disseminate knowledge to rural areas must be developed and implemented in order to open up opportunities for the majority of people to build on local wisdom based in local ways of life and traditions.⁵¹ To succeed in local development, as suggested in the Ninth Plan, the oversight system of decentralised administrative authority needs to be restructured to be more flexible, and to operate in a more expeditious and efficient manner.⁵² In pursuit of local development, local administration needs to be active. Common understanding and clearer designation of roles among the central, regional and local authorities is required, so that they can join efforts to achieve the decentralisation of administrative authority as discussed in the Part I of this thesis.

⁵⁰ WWW.Thairath.co.th/25 December 2001.

⁵¹ Office of the National Economic and Social Development Board, *op.cit.* Pp.67-69.

⁵² *ibid*, p.31.

In addition, decentralization of fiscal authority to local administrative organizations will require appropriate support for the transfer of functions from central administrative agencies to local administrative agencies. In parallel, casino establishment in the region will help to strengthen local capacity for development to create strong communities, and better align utilisation of the public budget with the needs of local populations.

There have been few surveys of opinions about casino development, and the few there have not shown the levels of support needed to encourage the government to approve the casino establishment. This thesis presents the result of a survey which indicates the findings of benefits and risks of a casino in terms of economic, social, political and public policy impacts. The survey reported in Part *IV* is explicit about testing respondent attitudes on economic impacts. The findings on social issues are in line with the 2001 survey with addition of the regional aspect. Besides that, the survey in this thesis sought the attitudes of the opinion leaders on political and public policy issues. Therefore, the survey provides more extensive results than earlier research enterprises.

Nonetheless, the benefits and risks of casinos are discussed. The possibility of a casino establishment in any region needs to look back to the readiness of local government, local people and the willingness of the central government to legislate. In terms of place for a casino, there is nothing to guarantee that any casino set up under the administration of the Chiang Mai or Chiang Rai municipalities would deliver the main benefits to those regions. Also, people's attitudes towards a casino establishment are not yet clear. However, this thesis has surveyed the attitudes of the regional decision makers as a case study in the Chiang Mai and Chiang Rai regions in terms of economic, social and political and public policy issues to evaluate their opinions and attitudes towards a casino establishment in their own region. The result and summary of the case study will be presented in Part *IV*.

Part III Methodology

Chapter 7

Protocol for Case Study

This purpose of this thesis is to examine proposals presented in the Ninth National Economic and Social Development Plan (2002-2006) for strengthening the economic and social fundamentals of Thailand, lifting the quality of life of the majority of people and increasing their ability to work with change, and for establishing good governance. This thesis examines these proposals through a case study of the local government municipality, Chiang Mai, Northern Thailand. The reasons for this particular research have been outlined in Chapters 1, 2, 5 and 6. The impetus for the casino proposal came from Thailand's Ninth National Economic and Social Development Plan and its strong encouragement for local municipalities and communities to take greater responsibility for their own social and economic development, its proposals for decentralization, its proposals for empowerment and participation, and its proposals for good governance.

There are two main areas to be examined. *First*, as noted in Chapter 1, the Ninth Plan proposes major structural and functional changes in the culture and practice of government management and administration throughout Thailand. It proposes a move away from the traditional system's reliance on key individuals having quite substantial powers, to a system where officials implement policies and legislation without fear or favour, and without relying on special financial rewards, including bribes, in performing their official duties.

For the Ninth Plan's proposals to take place major changes need to be made to a number of the present Acts which currently set out the duties and powers of each area of government administration and set out their interactions. The Ninth Plan does not offer any guidance about what legislation should be changed and how it should be changed. As has been discussed in Chapter 3 this thesis offers the Power of General Competence as a specific proposal to fill part of the gap left by the Ninth Plan.

The Ninth National Economic and Social Development Plan proposes that communities should be empowered so that local people are able to participate in local

development. The Ninth Plan wants people to have the capability, and be encouraged, to keep pace with changes. This should serve as a strong foundation of the entire society, by encouraging local communities to formulate their own action plans based on a participatory approach. Existing potential capacity should be analyzed in order to identify activities that are consistent with local capacity and resources. Local resources should be mobilized in support of local activities, with support from external sources for those activities that exceed local capability.¹ Hence it is understandable that the local government administrators of Chiang Mai have responded to the Ninth Plan by drawing up proposals to develop the economy in their region, including new projects to generate new sources of local income.

The *second* main purpose of this thesis is to examine the case of a prospective casino development in Chiang Mai as one project towards an economic solution for the region and as a way in which the local community can have greater autonomy in identifying, analysing and generating the solutions to problems through their local economic development proposal. As the local community is able to do this then it will have the means of addressing, in political and policy terms, the differences and divisions evident in a society in rapid change.

As outlined in Chapter 5 above, the idea of casino development in the region is part of the Municipality's effort to respond to the Ninth Plan's proposals on decentralization and solving the local financial problems. With the presentation of the Eighth and Ninth National Development Plans (1997-2006), regional development has had more consideration than ever occurred with the first seven economic development plans. Under the earlier plans public investment and development of the social infrastructure were obviously concentrated in Bangkok and surrounding provinces. As a result, the rapid growth of Bangkok created a major attraction for the people to migrate for the reasons of employment and convenient infrastructure, while the rural areas lacked those.

To examine the ideas of regional development in the Ninth Plan, with its focus on decentralization of government to local authorities, this thesis focuses on proposals for introducing a casino as a new source of income for local government in Chiang Mai, a region in the North of Thailand and the economic and population centre of Northern Thailand. The

¹ Office of the National Economic and Social Development Board, *The Ninth National Economic and Social Development Plan*, <http://www.nesdb.go.th>, 20/08/03, p.50.

main purpose is for macro economic development which would boost employment opportunities through developing what has become a key aspect of the tourist industry, and a significant source of inward financial activity and of tax revenues. Introducing a casino to a particular region would stimulate tourism in the area. Further, the purpose in establishing a casino is to empower the local authority to make the decisions it needs to for the wider region and community, by approving and administrating projects for the region without prescription from the central government. However, it is accepted that developing a casino is not without serious questions about the cultural, social, and political impacts on the community.

This research considers critically some of the proposals from the Ninth Plan, particularly those about participation, empowerment, decentralisation and good governance, and the proposals the Chiang Mai Municipality developed in response to the Ninth Plan. This research also seeks to test the extent to which the attitudes of local policy makers and opinion leaders can be understood as supporting the development of a casino, and whether this would provide the basis for the Municipality to ask for Government approval to establish a casino.

As noted in Chapter 5, the attitudes of public opinion are very important for government in considering a casino establishment. The attitude surveys taken in Thailand about casinos have either not been very clear, have not tried to probe attitudes of respondents, or have been carried out in Bangkok, far away from Chiang Mai. This thesis presents research on the attitudes of decision makes and opinion leaders in Chiang Mai.

7.1 The Case Study

The case study of this thesis sets out to examine proposals derived from the Ninth National Economic and Social Development Plan and to determine whether a proposal to develop a casino in a province in Northern Thailand can be seen as being in accord with the Ninth Plan's general proposals on economic development and participation. It also sets out to determine whether a casino development would be politically and socially acceptable within the region and whether this evidence of acceptance could be considered enough to satisfy central government and gain its approval.

The proposals developed for testing in this case study are:

- The extent of support among the policy makers and key opinion leaders in Chiang Mai for the establishment of a casino is clear and sufficient for an approach to be made to central government for approval to establish a casino;

- The establishment of a casino would enhance public participation in the governance of the Municipality;
- The establishment of a casino would assist in the goals of good governance proposed in the Ninth Plan;
- The establishment of a casino would empower the people of the Chiang Mai Municipality and region and make an important contribution to the decentralisation of government
- The establishment of a casino would be an important step in implementing the proposals of the Ninth Plan.

7.2 Selected Regions

The case study of Chiang Mai was undertaken because of the writer's experience of having lived there for the 20 years of life. This gave the writer a familiarity with the region, with the way local government operates, and with the ideas proposed for future development for the good of the region.

To test these proposals, a case study was mounted in Chiang Mai, in Northern Thailand, around a development proposed to boost the region's tourism industry area. The study is based on a quantitative analysis of the main decision makers and opinion leaders involved of Chiang Mai. For several reasons, Chiang Mai is particularly appropriate for such a study:

1. Chiang Mai plays a crucial role in the Thai government's policies of spatial and administrative decentralisation. Any steps toward implementing greater local autonomy for this regional city would be a major political development towards decentralisation as proposed in the Ninth Plan.

2. Politics in major urban centres such as Chiang Mai offers a more representative paradigm of the subnational political culture than the political processes of a capital city or metropolitan area. However, until recently urban primacy was strongly reflected in scholarly work, as the overwhelming majority of urban government studies focused on the large cities.

3. Chiang Mai's economy is expanding. It might therefore be anticipated that, as a concomitant of robust economic growth, considerable social and economic diversification is also taking place, resulting in an increasingly sophisticated and complex structure of societal interests. In Thai cities, the middle income group encompasses between forty and sixty percent of the urban population. In order to pursue their frequently diverse and, at times, even

incompatible interests more systematically, a trend towards the formation of the locally based local associations can be observed.

4. Chiang Mai has relatively large municipal revenues (as noted in Chapter 6).

5. Despite its rapid economic growth, about one-fifth to one-sixth of the population of Chiang Mai has not benefited from the economic gains. This is due largely to the fact that these poverty groups are less organised than the middle and upper-middle classes and, therefore, have only limited access to political decision-making and distribution of public resources. Hence this city provides insights into the ways and means utilised by low-income groups to improve their living conditions and the impact of a casino on them.

6. Chiang Mai is an important municipality which always has political problems and public policy process problems.

To avoid some of the limitations to studying only one particular area bias of data, information for the case study was also gathered from a control group in the Chiang Rai Municipality. Chiang Rai is smaller than Chiang Mai but it has a similarity in the context of city development. Chiang Rai is a new tourist place in the North of Thailand with attractive landscape, cheap accommodation and new construction. It is the one city where there have also been proposals for a casino because there is a casino in a small island in the Khong river in the border area of Burma and tourists can access this casino from Chiang Rai by shuttle boat. Therefore, having a casino in Chiang Rai would aim to attract tourists and stop Thai gamblers spending their money out of the country. By using the responses from the similar group of respondents in Chiang Rai, there is a wider base for understanding and interpretation of the results of the survey from Chiang Mai. Earlier surveys about casinos and gambling in Thailand have been very general and superficial. This research provides an in-depth survey of a larger base for assessing attitudes to casinos in Thailand than has ever been conducted previously.

7.3 Methodology

A variety of complementary research techniques has been conducted for gathering data, including a survey of attitudes, open discussion with interviewees, followed by presentation of initial findings to a group including a number of the respondents and interviewees, followed by further discussions.

1. Survey of attitudes

This thesis outlines, in Chapter 5, the economic, social and policy reasons for studying the casino proposal and, in Section 6.5.2, the public attitudes to gambling in Thailand, including attitudes to casinos. As it is shown, the surveys on attitudes to gambling have been very limited. The results of such surveys are of no help in assessing whether proposals for a casino in Chiang Mai might be acceptable. A general survey of the attitudes of the general public of Thailand, or of the general public of Chiang Mai would have given useful information for comparing with these earlier and limited surveys. They would help see how acceptable the idea of a casino was in Thailand. This sort of survey would also have been rather limited in terms of understanding the attitudes and opinions of those who would be the decision makers and opinion leaders in Chiang Mai on whether or not a casino was a good idea for Chiang Mai. It was of importance to know how much the key opinion leaders had thought about the economic, social and policy arguments about casino establishment. If there was not much shared understanding and agreement among the opinion leaders then it could be safely concluded that the casino idea was not useful for Chiang Mai. If key opinion leaders and decision makers had not thought about the wider economic, social and policy issues then arguments would have followed about how well local leaders and communities are prepared in promoting sustainable economic growth for their region.

The opinion leaders and the decision makers in the region were the target group since they have authority to formulate local policy, make decisions for the region, and argue development proposals at other levels of government. The questionnaires asked about attitudes about how acceptable the casino proposal would be, on the decision process and on problem solving ideas of the respondents. Apart from the attitudes towards a casino establishment in the regions, the questionnaire was designed to find out the attitudes of decision makers as they manage their authority with the central government in seeking approval for a casino, how the policy-makers deal with problems and how they see the local economy will be developed from the casino establishment.

A survey of the attitudes of the target group in just one area would mean the conclusions which could be drawn would remain limited to that area. There would be no way of knowing how much their attitudes were unique to that area or were shared in some way in another area. The interest shown by several opinion leaders in Chiang Mai, and the attitudes

they had, in developing a casino could have been influenced strongly by very local factors and personalities in Chiang Mai. Only limited conclusions could be made about the Ninth Plan in general and the casino proposal in particular.

The writer identified some 100 potential respondents in Chiang Mai and posted questionnaires to them, seeking their assistance and cooperation. The writer also identified some 100 potential respondents in Chiang Rai, using the same broad categories used for Chiang Mai, and posted questionnaires to them. Potential respondents were determined by the writer on the basis of their position as a policy maker or as an opinion leader. The guidelines used in selecting potential respondents in Chiang Mai were the same as those used for selecting potential respondents in Chiang Rai. In each area the group of 100 people the writer identified came from knowledge of the people who were the main policy makers of the municipal council, business people, local group leaders and scholars in the area. The final number of respondents were 98 from Chiang Mai and 80 were from Chiang Rai, a total of 178. Responses to the questionnaire were in Thai and the responses were then translated to English by the writer.

This research did not seek to survey the attitudes of the wider community attitude survey, because of the focus on seeking more in-depth attitudes about economic, social, political and public policy from key decision makers and opinion leaders. Question areas were based on the experiences of casinos in many countries as outlined in Chapter 5.

2. Questionnaire

The questionnaire focused on attitudes in three main aspects of the impact of casino establishment: economic, social, and political and public policy. These three aspects were derived from the experiences of casinos in many countries as discussed in Chapter 5. The questionnaires were in Thai and later translated by the writer who first language is Thai. The questionnaire includes four sections with two sections of closed questions and two of open questions.²

Section A sets out 38 statements in three sections – on economic impacts, social and cultural impacts and on political and policy impacts were a casino to be established – and asks respondents to indicate their agreement or disagreement with the statements on a scale of 1 to 9 where 9 in total agreement and 1 is total disagreement. The statements range from negative to

² Details of the questionnaire are in Appendix D

positive possible impacts. These attitude scales will be statistically analysed in average of each different background group.

The attitudes are measured by assessing trends and impacts resulting from a casino and analysed using basic statistical methods such percentages for frequency tests in the differences of attitudes. To analyse the differences between different background groups, the mean averages of attitude are used. The mean is calculated from the average of attitude scales in each statement impact. The difference between groups is evaluated between the means by using an independent-sample *t* test. The *t* test evaluates whether the mean value of the test variable for one group differs significantly from the second group at the level $<.05$.

Section B consists of open questions which invite the respondents to offer comment as to whether or not they support the idea of the operation of a casino in their region in terms of economic, social-cultural and political and public policy impacts. The responses to these questions are presented in the frequency and statistical analysis. Also, the differences between those who support and those who do not support the idea of a casino operating in their region are evaluated and the means compared for each proposal between the different groups by using an independent-samples *t* test to evaluate whether the mean value of the test variable for one group differs significantly from the mean value of the test variable for the second group at the level $<.05$. Respondents were also asked to give the reasons for their answers. These responses are grouped and analysed by qualitative description.

Section C of the questionnaire asks for the background and biographical details of respondents – region, age, gender, educational qualification, occupation, annual income and casino experience. This section will be statistically analysed in frequency and percentage and demonstrate in tables. The findings of Sections A-C of the questionnaires are presented in Chapter 8.

Section D also consists of open questions and asks respondents for their views as to the main benefits and opportunities, and the major threats and risks in establishing a casino in the region. Then, they are asked to give their views of how to reduce any of the costs they have identified, and how the benefits they identified might be increased with establishing a casino in their region. The answers in each question are grouped in the similar answers and analysed by qualitative methodology and present in description. The findings from Section D are presented in Chapter 9.

Before sending the questionnaires, an ethical approval statement was presented to each respondent. The statement provided details of the writer, title of research project, description and time frame for archiving data. Respondents were advised that the writer would directly approach each person for a formal appointment. Furthermore, there was an informed consent form for each participant before any data and information was gathered stating that the names of a participant would not be displayed unless written agreement had been given by that participant. There was no potential risk to the participants, and no conflict of interest. No intellectual or other property rights would be affected.

3. Discussion

Key persons, local politicians, Chiang Mai's MP, the mayor and members of Chiang Mai's Municipal Council involved in the decision making for local government, newspaper reporters, editors of local newspapers, and others agreed to discussion with the writer. There was also discussion with people who work for local associations such as officers of NGOs and Chambers of Commerce because of their interest and activity in local politics and policy decisions. The discussions set out to examine their views on the opportunities and threats if a casino were to be established in Chiang Mai, as well as on the way the proposal had been considered by local government. The data is used to test the hypotheses and will be important in monitoring any subsequent plan and strategy to set up a casino in their local area. The findings from the discussion are presented in Chapter 9.

4. Paper Presentation

The writer presented a paper on initial findings to the Chiang Mai policy makers in the annual Municipal Assembly on 18th September 2002. The paper is a summary of the findings presented in early drafts of Chapter 8: 'Attitudes Towards the Establishment of a Casino in Chiang Mai', and of Chapter 9: 'Threats and Solutions of a Casino Development'. The paper was prepared and translated into Thai language. During the presentation, feed back attitudes were obtained during discussion and follow-up informal interviews were arranged with some municipal members. These feed back attitudes are presented in the final section of Chapter 9.

7.4 Variables

This thesis has accepted the idea of the seriousness of introducing a casino to local governments as a way towards solving regional economic problems, by stimulating tourism and

business development, of assisting local government to solve a number of its social and economic problems, and of dealing with illegal gambling problems. However, there are both supporters and opponents in many groups of the region. Trying to solve these problems together would enhance good strategies for policy process and lead to democracy in local government at the same time.

This study was undertaken during 2001-2004, before the advent of any legal casinos in Thailand. It may be assumed that there have been some changes in people's and politicians' attitudes to gambling after this time. However, it is not likely that attitudes towards casinos would have changed significantly.

This research does not address whether the establishment of a casino would, or would not, bring about the economic growth hoped for. It does present an analysis of what the respondents think about the different impacts from establishing a casino. This study has aims to follow the hypothesis in case there could be opportunity that a) a casino would proceed and it will be secondary to the problem solving processes themselves; b) participation and collaborative problem solving could be enhanced; c) the target Ninth Plan would succeed in terms of restructuring strategies for sustainable urban and rural development.

Chapter 8

Attitudes towards a Casino Establishment in Regions

8.1 Introduction

As noted in Chapters 5 and 6, attitudes towards casinos in Thailand have changed over the years. Proposals to introduce a casino from various sectors, including business, academic, political groups and others have encouraged people to think positively about casinos. Nonetheless, there are still many different perceptions towards casinos and gambling which have failed to bring about agreement on the subject.

Establishing a casino in some regions in Thailand is an interesting topic being under constant discussion. The attitudes of regional decision-makers in *Chiang Mai*, and the control group, *Chiang Rai* were sought to determine current views on casino establishment in general, and on a specific proposal to establish a casino in terms of its perceived economic, social and political and public policy impacts. The survey was conducted by questionnaire as outlined in Chapter 7. This chapter presents the survey findings of background according to region, age, income, gender, casino experience and political involvement and attitudes towards a casino of the respondents which are from rating scale questions in questionnaire.

Backgrounds of all respondents are provided in frequency and percentage, and then the analysis of attitude rating towards a casino is developed in comparison with each background. The significance of several factors is tested by statistical methods.

8.2 Background Of Respondents

There are 178 respondents in this survey, of which 98 respondent (55.1 per cent) are located in Chiang Mai and the remaining 44.9 per cent are located in Chiang Rai. The national data in Table 8.1 shows number population in Chiang Rai Municipality are one third of Chiang Mai with divided equally between males and female (Chiang Mai, Males 83,265: Females 89,025 and Chiang Rai, Males 25,978: Females 26,974). Further backgrounds according to age, income, gender, casino experience and political involvement are also in the Table 8.1.

Table 8.1 Backgrounds of Respondents

		Frequency (n=178) ¹		National Data Frequency (n=64million)	
Percent			Percent		
Region	Chiang Mai	98	55.1	172,290	.26
	Chiang Rai	80	44.9	52,952	.08 ²
Age	Under 30	11	6.2		
	31-40 years old	69	38.8		
	41-50 years old	80	44.9		
	51-60 years old	12	6.7		
	over 60 years old	6	3.4		
Gender	Male	127	71.3	109,243	.17
	Female	51	28.7	115,999	.18 ³
Qualification					
	High School Certificate	15	8.4	41,945,400	65
	College Diploma	16	9.0	2,978,300	4.6
	Bachelor's Degree	88	49.4	3,087,500	5.0 ⁴
	Post-graduate Degree	59	33.1		
Occupation					
	Politician	87	48.9		
	Police	11	6.2		
	Lawyer	8	4.5		
	Business	4	2.2		
	Non-government Officer	9	5.1		
	Banker	13	7.3		
	Educational Lecturer	26	14.6		
	Horse Track Officer	2	1.1		
	Municipal Officer	18	10.1		
Political Involvement					
	Not Relevant	91	51.1		
	Municipality	42	23.6		
	Provincial Council	41	23.0		
	Member of Parliament	4	2.2		
Income					
	Under 120,000 Bahts per Year	40	22.5	Gross National income per capita = 78,572 Baht (USD 1,980) ⁵	
	120,000-240,000 Bahts per Year	85	47.8		
	240,001-480,000 Bahts per Year	44	24.7		
	480,001-600,000 Bahts per Year	5	2.8		
	Over 600,001 Bahts per Year	4	2.2		
Have Been to a Casino					
	Yes	73	41.0		
	No	105	59.0		

¹ 'n' means total number of respondents in the table.

² <http://www.chula.ac.th/INSTITUTE?IPS?thai2002.htm>. 27 April 2004. These amounts of population are counted only people who live in municipal areas.

³ *Ibid.* This data is the population of males and female in Chiang Mai and Chiang Rai Municipality.

⁴ National Statistical Office, *Number of Population Over 13 Years By Level of Education Year 2002*, Bangkok, Office of Prime Minister, 2003. The further 25.6 per cent is under 13 years old.

⁵ <http://www.theglobalalliance.org/thaisub6.htm>. 27 April 2004

The largest group of respondents are in the age 41-50 year (44.9 per cent) followed by the 31-40 year age group (38.8 per cent). Together these two groups account for 84 per cent of the respondents. Those over 50 years old account for 10 per cent of respondents, with the remaining 6 per cent under 30 years old.

Even there are equal population of males and females in both regions, there are not many female in political institutes such as the parliament or Municipality. Therefore, responses from males outnumber responses for females by 1:2.5 with males accounting for 71 per cent and females 29 per cent of the respondents.

Due to the respondents are group of people who involved policy process. Therefore, most of them are high educated and many of them earn higher income than normal or average group of population in Thailand. The respondents are well qualified when compared with all population with only 5 per cent holding a Bachelor's degree or higher. 49 per cent of this survey's respondents hold a Bachelor's degree and a further 33 per cent a post-graduate qualification. A further 9 per cent hold a college diploma. There are only 8.4 per cent of the respondents holding high school Certificate while the majority of population (65 per cent) are in this educational qualification.

The occupations of respondents are varied and include those holding a position in politics such as MP, member of Municipality and member of Province (48.9 per cent), police (6.2 per cent), lawyers (4.5 per cent), business people (2.2 per cent), non-government officers (5.1 per cent), bankers (7.3 per cent), educational lecturers (14.6 per cent), horse track officers (1.1 per cent) and municipal officers (10.1 per cent).

The respondents have different political backgrounds. 51.1 per cent of them are not connected to politics by career position while 23.6 per cent are members of the municipality, 23 per cent are members of provincial councils and 2.2 per cent are members of parliament.

The respondents' income are quite high when compared with data from the Gross National income per capita of Thailand which is 78,571 Baht. The majority group of the respondent earned 120,000-240,000 Bahts per year (47.8 per cent) and 240,001-480,000 Bahts per year (24.7 per cent). Their income groupings range from those come under 120,000 Bahts per year (22.5 per cent), the further 5 per cent earned more than 480,000 Bahts per year.

Only 41 per cent of the respondents have had experience in a casino with the remaining 59 per cent having never visited a casino.

Table 8.2 Regional Variation of Respondents' Backgrounds

	Frequency (per cent)	
	Chiang Mai (n=98)	Chiang Rai (n=80)
Age		
Under 30	5(5.1)	6(7.5)
31-40 years old	41(41.8)	28(35.0)
41-50 years old	46(46.9)	34(42.5)
51-60 years old	5(5.1)	7(8.8)
over 60 years old	1(1.1)	5(6.2)
Gender		
Male	72 (73.5)	55(68.8)
Female	26(26.5)	25(31.2)
Qualification		
High School Certificate	6(6.1)	9(11.2)
College Diploma	3(3.1)	13(16.3)
Bachelor's Degree	47(48.0)	41(51.3)
Post-graduate Degree	42(42.8)	17(21.2)
Occupation		
Politician	52(53.1)	35(43.7)
Police	5(5.1)	6(7.5)
Lawyer	5(5.1)	3(3.8)
Business	2(2.0)	2(2.5)
Non-government Officer	5(5.1)	4(5.0)
Banker	7(7.2)	6(7.5)
Educational Lecturer	12(12.2)	14(17.5)
Horse Track Officer	2(2.0)	- (-)
Municipal Officer	8(8.2)	10(12.5)
Political Involvement		
Not Relevant	46(47.0)	45(56.3)
Municipality	24(24.5)	18(22.5)
Provincial Council	26(26.5)	15(18.7)
Member of Parliament	2(2.0)	2(2.5)
Income		
Under 120,000 Bahts per Year	18(18.3)	22(27.5)
120,000-240,000 Bahts per Year	47(48.0)	38(47.5)
240,001-480,000 Bahts per Year	25(25.5)	19(23.8)
480,001-600,000 Bahts per Year	4(4.1)	1(1.2)
Over 600,001 Bahts per Year	4(4.1)	- (-)
Have Been to a Casino		
Yes	55(56.1)	18(22.5)
No	43(43.9)	62(77.5)

Table 8.2 shows the regional variation of the backgrounds of respondents. There are slight differences in the major age groups of the respondents with the 31-40 and 41-50 years old groups as a larger per cent in Chiang Mai (88.7 per cent) than in Chiang Rai (77.5 per cent), while the population of older groups in Chiang Rai is slightly more at 15 per cent than in Chiang Mai at 6 per cent.

Respondents in both regions are most likely to have a Bachelor's degree qualification but in Chiang Mai, the group of Post-Graduate holders (42.8 per cent) is greater than in Chiang Rai (21.2 per cent). 91 per cent of Chiang Mai respondents hold qualifications not less than a Bachelor's degree compared with 73 per cent for Chiang Rai.

The occupations and political background of respondents of the two regions do not show much variation except for the slightly higher proportion of politicians in Chiang Mai (53 per cent) than in Chiang Rai (45 per cent). However, in the economic context and experience in casino visiting, it is shown that respondents from Chiang Mai are in the higher income group than respondents from Chiang Rai. A third of Chiang Mai respondents reported an income of not less than 240,000 Bahts per year compared with just a quarter in Chiang Rai.

The proportion of people who have casino experience in Chiang Mai and Chiang Rai are definitely different with 56 per cent of Chiang Mai having been to a casino compared with the 22.5 per cent in Chiang Rai.

8.3 Attitudes towards Casino Development

As outlined in Chapters 5 and 7, attitudes towards casino development were to be obtained around economic, social and culture impacts. Economic impacts include several aspects such as the tourist industry, taxation, employment and business growth. The social and cultural impacts include community development, gambling, recreation and cultural aspects, while the political and public policy impacts includes economy benefit, legislation, corruption and problem-solving.

Table 8.3 Attitudes to Economic Impacts

	Frequency (per cent) n=178				
	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
Having a casino in Thailand will encourage tourists to visit Thailand rather than other countries.	27(15.2)	21(11.8)	12(6.7)	84(47.2)	34(19.1)
A casino in your region will encourage tourists to come to the region.	32(18.0)	57(32.0)	10(5.6)	37(20.8)	42(23.6)
A casino attracts tourists to spend more time and money in the region.	4(2.2)	45(25.3)	16(9.0)	58(32.6)	55(30.9)
Most of those visiting the casino will be from outside the area.	3(1.7)	4(2.2)	85(47.8)	53(29.8)	33(18.5)
Most of those visiting the casino will be local people.	7(3.9)	4(2.2)	35(19.7)	93(52.3)	39(21.9)
Establishing a casino provides important new sources of income for local government through gambling taxation and licence fees.	26(14.7)	9(5.0)	28(15.7)	49(27.5)	66(37.1)
Local government gains revenue from the introduction of a casino, revenue which is needed for the development of infrastructure and city development.	28(15.7)	31(17.4)	15(8.4)	58(32.6)	46(25.9)
With the establishment of a casino will come new businesses and business expansion.	16(9.0)	42(23.6)	33(18.5)	55(30.9)	32(18.0)
Most of the new businesses will be in the tourist sector, such as souvenir shops, accommodation and catering.	5(2.8)	17(9.5)	34(19.1)	74(41.6)	48(27.0)
Central government gains mainly from the casino development through the additional revenue from taxation on expanding business activity in the area.	22(12.3)	30(16.9)	17(9.6)	51(28.6)	58(32.6)
Government faces demands for increased expenditure on infrastructure development, social welfare, police, courts and other expenses with the introduction of a casino.	21(11.8)	5(2.8)	22(12.4)	64(35.9)	66(37.1)
There are more jobs with the introduction of a casino.	22(12.4)	21(11.8)	17(9.5)	88(49.4)	30(16.9)

The casino may create many additional jobs, but few of them are for local people.	6(3.3)	33(18.6)	31(17.4)	84(47.2)	24(13.5)
Wages and salaries are higher because of the competition for labour.	18(10.1)	66(37.1)	55(30.9)	34(19.1)	5(2.8)
Employees gain a range of benefits in addition to their salary or wages, such as health insurance, annual bonus, welfare and other payments.	34(19.1)	64(36.0)	39(21.9)	23(12.9)	18(10.1)
Businesses in the casino area face difficulties in attracting employees because they offer to pay less than the casino.	17(9.6)	41(23.0)	17(9.6)	83(46.6)	20(11.2)
Local businesses will lose some of their customers because they will not compete effectively with casino businesses.	9(5.0)	32(18.0)	19(10.7)	68(38.2)	50(28.1)
Tourists have more disposable income so prices of goods and services increase as a result, making it hard for local people on their lower incomes.	34(19.1)	44(24.7)	20(11.2)	30(16.9)	50(28.1)

Table 8.3 shows different attitudes to proposals the economic impacts: strongly disagree, disagree, uncertain, agree and strongly agree.

The responses to the proposals on tourism are varied although generally supportive that the presence of a casino would mean more tourism. On the first proposal 66 per cent agree that having a casino in Thailand will encourage tourists to visit Thailand. Only 27 per cent disagree with the proposal, but 50 per cent do not agree that having a casino in their region will encourage tourists to come to the region compared with the 44 per cent who do agree.

Overall, the respondents show strong agreement that a casino would attract tourists who would spend more time and money in the region, and yet most of those visiting the casino would be local people. These responses are not inconsistent and it needs to be noted that at no stage were respondents invited to offer an estimate of the number of tourist who would come. More tourists would be attracted to Thailand with a casino, but there is less certainty about how many would come to the region. Most visiting a casino would be local, but tourists who did come from outside the region would spend more time and money in the region.

There was strongly agreement (65 per cent) with the proposal that a casino would provide important new sources of income for local government, and 58 per cent agreed that

revenue is needed for the development of infrastructure and city development, both areas where local government has been wanting to process.

Only 49 per cent agreed that new business and business expansion would follow the establishment of a casino, with 33 per cent disagreeing and the remaining 18 per cent uncertain. Not surprisingly, there was 69 per cent in agreement that any business expansion would be in tourist sector.

On the gains for central government from the casino development, there was strong agreement (61 per cent) and also strong agreement (73 per cent) about the demand on central government for increased expenditure for infrastructure development, social welfare, police, courts and other expenses with the introduction of a casino.

In terms of employment, 66 per cent agreed that additional jobs would be created with the introduction of a casino and 61 per cent agreed that few of the jobs would be for local people.

The impact of a casino on local wages drew a varied response. 47 per cent of the respondents disagree that the competition for labour would raise wages and salaries and a further 31 per cent were higher uncertain in their responses. Only 22 per cent agreed. This response was similar to the proposition that employees would gain a range of benefits in addition to their salary or wages: 55 per cent disagreed and a further 22 per cent were uncertain. When it came to consideration of whether local businesses would face difficulties in attracting employees because they can only offer lower wages than the casino, there was 58 per cent agreement, and only 33 per cent disagreement. On the other hand, the great majority of respondents did not agree that wages would rise with a casino, but the great majority of respondents agreed that local businesses would have difficulties due to different wage rates.

Respondents were generally agreed (66 per cent) that local businesses would lose some of their customers with the competition from the businesses associated with a casino, but were split evenly in their agreement (45 per cent) and disagreement (44 per cent) on the proposal that the prices of good and services would rise.

Table 8.4 Attitudes to Social Impacts

	Frequency (per cent) n=178				
	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
Establishment of a casino helps the character and image of the city with the improved infrastructure and social welfare available. 28(15.7)	43(24.2)	67(37.7)	7(3.9)	33(18.5)	
Having a casino damages the community morally. 101(56.7)	4(2.3)	34(19.1)	- (-)	39(21.9)	
A casino operation gets rid of illegal gambling.	25(14.1)	43(24.1)	33(18.5)	30(16.9)	47(26.4)
People will spend their savings on gambling because it is easy to access.	9(5.0)	9(5.0)	35(19.7)	53(29.8)	72(40.5)
A casino causes an increase in the incidence of compulsive gambling behaviour which leads to personal and family tragedies.	- (-)	13(7.3)	18(10.1)	39(21.9)	108(60.7)
A casino is bad for a community because it encourages gambling which in turn attracts crime, prostitution and drugs trafficking.	7(3.9)	20(11.3)	12(6.7)	49(27.6)	90(50.5)
Crime, prostitution and drugs trafficking are part of modern life and not necessarily part of the presence of a casino.	41(23.1)	37(20.8)	7(3.9)	49(27.5)	44(24.7)
Generating funds for community development is the most important social contribution a casino can make.	16(9.0)	33(18.5)	53(29.8)	45(25.3)	31(17.4)
A casino gives people more choices for entertainment and spending a night out.	47(26.4)	55(30.9)	18(10.1)	50(28.1)	8(4.5)
A casino is one of the more effective leisure activities in modern life.	56(31.4)	75(42.2)	13(7.3)	33(18.5)	1(0.6)
A casino represents a waste of time and a loss of productive effort.	3(1.7)	14(7.9)	12(6.7)	43(24.2)	106(59.5)
People pay less attention to developing their careers because it is easy to get a well-paying job in the casino.	31(17.4)	40(22.5)	24(13.5)	40(22.5)	43(24.1)

Table 8.4 shows the frequency and percentage of respondents that agree or disagree on statements of possible social impacts of establishing a casino. Several of the responses to the proposals on the social impacts are overwhelmingly clear.

These clear responses consider a casino morally damaging to the community (79 per cent agree), that a casino will cause compulsive gambling and the accompanying personal and family tragedies (83 per cent agree), that a casino is bad for a community (78 per cent agree), that a casino is one of the more effective leisure activities in modern life (74 per cent disagree), and that a casino represents a waste of time and a loss of productive effort (84 per cent agree). These proposals were designed to gain insight into respondents' moral approval or disapproval of a casino establishment.

Only a third (34 per cent) of respondents considered the establishment of a casino would help the character and image of the city with the improved infrastructure and social welfare available; 62 per cent disagreed with the proposal. Other proposals were not seeking responses on the moral issues associated with a casino establishment, 70 per cent agreeing that people will spend their savings on gambling, 57 per cent disagreeing that a casino provided more entertainment options, and more evenly divided responses on the other proposals.

Responses were divided on whether a casino operation gets rid of illegal gambling (43 per cent agree, 38 per cent disagree and 19 per cent were uncertain); on whether crime, prostitution and drugs trafficking are part of modern life and not necessarily part of the presence of a casino (52 per cent agree, 44 per cent disagree); and on whether people will pay less attention to developing their careers because it is easy to get a well-paying job in the casino (47 per cent agree and 40 per cent disagree).

A good deal of uncertainty (30 per cent) was expressed over whether the funds generated for community development were the most important social contribution a casino could make, with 43 per cent agreeing and 28 per cent disagreeing.

Overall, it is clear that the moral attitudes towards the establishment of a casino were not approving.

Table 8.5 Attitudes to Political and Public Policy Impacts

	Frequency (per cent) n=178				
	Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
The government's main role in casino development is to ensure it benefits the community overall.	34(19.1)	30(16.8)	8(4.5)	35(19.7)	71(39.9)
The main areas of benefit are economic.	26(14.6)	22(12.4)	21(11.8)	56(31.4)	53(29.8)
The main areas of benefit are in better legislation for legal gambling.	18(10.1)	13(7.3)	8(4.5)	77(43.2)	62(34.9)
The main areas of benefit are in getting rid of illegal gambling.	18(10.1)	19(10.7)	33(18.5)	57(32.0)	51(28.7)
The main areas of benefit are in infrastructure development.	40(22.5)	36(20.2)	3(1.7)	59(33.2)	40(22.4)
A casino brings the risk of increasing greed as some public officers look to bribes in the operation and regulation of a casino.	6(3.4)	42(23.6)	12(6.7)	36(20.2)	82(46.1)
Political corruption and scandal are risks associated with casinos.	7(3.9)	24(13.5)	17(9.6)	40(22.4)	90(50.6)
Policy-makers need to work hard to ensure policies result in improvements for casino operations and for local people.	23(12.9)	9(5.1)	9(5.1)	56(31.4)	81(45.5)

Table 8.5 presents responses on aspects of political and public policy impacts were a casino to be established. Four proposals are about the possible benefits of a casino, two are about risks, one is about main role of the government and one on the effort required of policy makers.

There is very positive agreement (60 per cent) with the proposal that the government's main role is to ensure the community overall benefits from casino development, with 36 per cent disagreeing. Strong agreement was evident for the proposal that policy-makers need to work hard to ensure policies result in improvements for casino operations and for local

people. Only 18 per cent disagreed and a further 5 per cent were uncertain, leaving 77 per cent in agreement.

On the benefits of casino development, the strongest agreement was expressed for the proposal that there would be better legislation for legal gambling (78 per cent agree), followed by 61 per cent agreement for each of the proposals, one that the main areas of benefits were economic and the other that the main area of benefit would be getting rid of illegal gambling (disagreement of 27 per cent and 21 per cent respectively). The proposal that the main area of benefit would be infrastructure development showed a majority (56 per cent) in agreement and 43 per cent in disagreement.

Concern about the risks of bribery, corruption and scandal associated with a casino development was very evident, with 66 per cent agreeing on the risk of public officials taking bribes and 73 per cent agreeing that political corruption and scandal were risks.

8.4 Attitude Analysis in Different Background

8.4.1 Attitudes to Statements of Impacts

The backgrounds of the respondents are analysed in this section according to three groups:

- social background, which includes the region, age, gender, and casino experience of the respondents,

- economic background, which includes the income of the respondents, and

- political background, which includes the political involvement of the respondents.

Each background is divided into two different mutually exclusive groups. Each group has a mean of attitude in each proposal which has been set in the questionnaire. Each proposal was invited the respondents to give rating scales between one and seven as: Strongly agree (7); agree (6); slightly agree (5); uncertain (4); slightly disagree (3); disagree (2); and strongly disagree (1). These attitude scales are statistically analysed in average of each group.

The difference between groups will be evaluated between the means by using an independent-samples *t* test which evaluates whether the mean value of the test variable for one group differs significantly from the mean value of the test variable for the second group at the level $<.05$. The attitude of respondents will be presented by each of the backgrounds in each impacts which are in tables 1-19 Appendix E.⁶

⁶ Table 1 to 3: Region, Table 2 to 6: Age, Table 7 to 9: Gender, Table 10 to 12: Casino Experience. Table 13 to 15: Political Involvement and Table 16 to 19: Income

Tables 8.1 to 8.2 in this Chapter show the difference in attitudes between the respondents in Chiang Mai and Chiang Rai. It is obvious that the respondents from different regions have different opinions on many aspects.

It is quite clear that the means of the Chiang Mai respondent groups are higher than those of Chiang Rai in all statements. The *t*-test shows the significance of the different attitudes between groups in that there is some statistical significance to issues marked (*) in some statements of impact while the independent sample test differs significantly from the mean value of the test variable at the level $<.05$.⁷

Means of attitudes to social impact in the two regions are not much different. To some negative statements, such as: having a casino damages the community morally; people will spend their savings on gambling because it is easy to access; a casino causes an increase in the incidence of compulsive gambling behaviour which leads to personal and family tragedies; and a casino is bad for a community because it encourages gambling which in turn attracts crime, prostitution and drugs trafficking, the respondents from Chiang Rai are more likely to agree with those as the means are higher than that of the Chiang Mai group.

Respondents from Chiang Mai are more likely to agree on casino operation getting rid of illegal gambling, helping the character and image of the city, generating funds for community development, giving people more choice of entertainment, being more effective leisure activity, and crime, prostitution and trafficking are part of modern life which was not effect from a casino. This agreement could show that the people in this region have seen the advantages of casino in many ways and have not against a casino as the social damaging.

Also, the respondents from different regions have different attitudes significantly by statistical level at $<.05$ in most of the issues as marked (*).⁸

The respondents from Chiang Mai were more in agreement on political & public policy impact than the respondents from Chiang Rai, apart from two issues concerning the corruption of politicians and officers. Obviously, attitudes of those two groups are significantly different in most statements. It is clear that respondents from Chiang Mai are much more

⁷ See Table 1 in Appendix E.

⁸ See Table 2 in Appendix E.

supportive than Chiang Rai respondents as they concerned more about risk than Chiang Mai responses.⁹

There is not much difference between the means of the two age groups. However, the statistical significance of level $<.05$ was found on all three impacts.¹⁰ The respondents under on over 40 years old had different attitudes on many economic impacts. The responses from those who are over 41 year old had higher mean on a casino encouraging tourists to come to the region, attracting them to spend more time and money, providing important new source of income for local government; on a casino creating many additional jobs, but few of them being from local people. The younger respondents had higher means in some proposal such as; most casino visitors would be local people, there would be more jobs with the introduction of a casino, and local business would lose some of their customers to casino businesses.

The younger group had a higher mean on a casino being bad for community: in contrast, they also had a higher mean on crime, prostitution and drug trafficking being part of modern life. However, the responses from different age groups on the social impacts of a casino establishment are not significantly different in any other proposal. The respondents from different age groups had similar attitudes in many proposals on political and public policy impacts. However, the responses of those who were under 40 years old were higher on the main areas of benefit being in better legislation for gambling and in getting rid of illegal gambling, while the older group was more concerned about a casino bringing the risk of increasing greed in public officers. It is quite obvious that the older group was concerned about the risk while the younger one saw more of the benefits.

There are larger numbers of male respondents than female respondents in both regions and appears there is some difference in attitudes regarding some statements between the two genders.¹¹ The means of the male group are likely to be higher than that of the females. However, regarding these statements: most of those visiting the casino will be local people: with the establishment of a casino will come new businesses and business expansion; most of the new businesses will be in the tourist sector, such as souvenir shops, accommodation and catering; and the government will face demands for increased expenditure on infrastructure

⁹ See Table 3 in Appendix E

¹⁰ See Table 4-6 in Appendix E

¹¹ See Table 7-9 in Appendix E

development, social welfare, police, courts and other expenses with the introduction of a casino, the means of female attitudes are higher. The two groups have different attitudes at level $<.05$ as marked (*) to six economic impacts.¹²

The responses from males and females towards a casino in aspect of economic impact are quite similar. There is more agreement among male respondents on some issues such as employment but there was not much difference on the economic proposals. The only statistically significant difference between male and female was that which the female respondents were more in agreement on a casino representing a waste of time and a loss of productive effort. Even though there was no statistically significant difference on any other proposals, the mean shows that female respondents were strong in agreement that a casino was bad for a community because it encouraged gambling which in turn attracted crime, prostitution and drugs trafficking, while male respondents were in agreement on the establishment of a casino helping the character and image of the city with the improved infrastructure and social welfare available.

The *t*-test shows that there is no significant statistical difference in gender to most of the statements with the exception that the female respondents were more agreement on the main areas of benefit being in better legislation for legal gambling.

It is quite normal that people who have never been to a casino are more likely to disagree with statements including, a casino in Thailand would encourage tourists to visit Thailand rather than other countries; local government would gain revenue from the introduction of a casino, revenue which was needed for the development of infrastructure and city development; central government would gain mainly from the casino development through the additional revenue from taxation on expanding business activity in the area; and there would be more jobs with the introduction of a casino. There is not a great deal of difference, however, between the respondents who had never been into a casino had more agreement on the proposal that government expenditure would be more demanded by a casino establishment and the living expenses would be increase because of the casino and tourists. The differences between the group are demonstrated by the statistical level at $<.05$ which occur in many statements.¹³ The means of the respondents who have been to casinos are generally higher than those who have never been to casinos. They agreed that a casino operation would get rid of

¹² See Table 7 in Appendix E

¹³ See Table 10 in Appendix E

illegal gambling; generating funds for community development would be the most important social contribution; a casino would give people more choices for entertainment and spending a night out; and would be one of the more effective leisure activities in modern life. However, they were also in agreement on opposite proposals, that people would spend their savings on gambling because it would be easy to access; and crime, prostitution and drugs trafficking were part of modern life and not necessarily part of the presence of a casino.

The group of respondents who had not had a casino experience had higher means on a casino being bad for a community; a casino representing a waste of time and a loss of productive effort; and people paying less attention to developing their careers because it is easy to get a well-paying job in the casino. There are significant differences in many statements which are tested by the statistical level at $<.05$.¹⁴

The means of the attitudes to political & public policy impacts of those with casino experience are generally higher in most proposals. On the other hand, the means of this group are low regarding the statement on corruption which means they do not agree if it is associated with a casino. The statistical significance level at $<.05$ occurs in many statements.¹⁵ The responses from those who had never been to a casino had higher mean on the corruption issues, such as a casino would bring the risk of increasing greed as some public officers would look to bribes in the operation and regulation of a casino and political corruption, and scandal are risks associated with casinos, while those who had casino experience were more in agreement over the benefits of a casino.

The attitudes of respondents with different political backgrounds are based on occupations of the respondents which have mentioned in the table 8.1 and 8.2 in this Chapter. The respondents connected to politics by career position, such as members of the municipality, members of provincial councils and members of parliament, are grouped as political involvement, while the respondents in other occupations are classified as not involved in politics.

The different attitudes between groups of the respondents who are involved in politics such as the members of the municipality, provincial councils and parliament, and those who are not, show that the means of the politically involved group were in agreement on most

¹⁴ See Table 11 in Appendix E.

¹⁵ See Table 12 in Appendix E

proposals, particularly on a casino in the region encouraging tourists; a casino providing new sources of income for local government through gambling taxation and licence fees; new businesses and business expanding; central government gaining through the additional revenue from taxation on expanding business activity in the area; more jobs being introduced by a casino; and employees gaining a range of benefits in addition to their salary or wages. At the same time, they were also concerned about these risks; businesses in the casino area facing difficulties in attracting employees and losing some of their customers to casino businesses. However the respondents not involved in politics have a slightly higher mean to the idea that a casino attracts tourists to spend more time and money in the region. There are some differences in some statements with the statistical significant level at $<.05$.¹⁶

The responses of different political background respondents in social impacts are similar to the economic impact as the group of people who are involved in politics have higher means to both impacts. Even though the two groups had different background of political involvement, there are no statistically significant difference in responses between the groups concerned with the political & public policy impact. The respondents who are not involved the politics agree that a casino operation would get rid of illegal gambling but they were more in agreement than the other group on the negative impacts such as a casino damaging the community morally; a casino increasing in the incidence of compulsive gambling behaviour; a casino being bad for a community; and a casino representing a waste of time and a loss of productive effort. Those who were involved in politics were more in agreement on the positive impacts on these proposals; establishment of a casino helping the character and image of the city; the most important social contribution of a casino being funds for community development; a casino giving people more choices for entertainment and spending a night out; and being one of the more effective leisure activities.¹⁷ The difference of attitudes between two groups of different political background respondents in political and public policy impacts were only slightly different means between those involved in politics, and those not involved in politics. However, the respondents involved politics were more in agreement on most proposals, while those not involved had slightly higher mean on some areas of main benefit such in better legislation for legal gambling and in getting rid of illegal gambling.¹⁸

¹⁶ See Table 13 in Appendix E.

¹⁷ See Table 14 in Appendix E.

¹⁸ See Table 15 in Appendix E.

There is little difference in responses between the two income groups. The respondents earning over 240,001 Baht per year had more statistically significant agreement on many economic benefit proposals such as a casino in your region would encourage tourists to come to the region; a casino would attract tourists to spend more time and money in the region; a casino would provide new sources of income for local government; local government would gain revenue from the introduction of a casino; central government would gain mainly from the casino development through the additional revenue from taxation on expanding business activity in the area; a casino may create many additional jobs, but few of them are for local people.¹⁹

At the same time, those earning under 240,000 Baht per year were more concerned with the negative impacts on government facing demands for increased expenditure on infrastructure development, social welfare, police, courts and other expenses with the introduction of a casino; and businesses in the casino area facing difficulties in attracting employees because they offer to pay less than the casino. The attitudes on social impacts of the two different income groups are not significantly different which means that different income of the respondents has no result to the attitude towards a casino establishment in social impacts. The means of those in the income group earning over 240,001 Baht are higher than those earning lower than that in some areas of benefits such as economic and infrastructure. Respondents in this group also agreed on policy-makers need to work hard to ensure policies result in improvements for casino operations and for local people; and on the government's main role in casino development being to ensure it benefits the community overall. However, those earning lower than 240,000 Baht per year showed significant agreement on the main areas of benefit being in better legislation for legal gambling; and on getting rid of illegal gambling. Moreover this group has slightly more mean on the negative impact than the other group such as on a casino bringing the risk of increasing greed and political corruption.²⁰

8.4.2 Supports for a Casino Development

The previous sections were the findings from the answers of closed questions of the respondents' background which compared with their rating scale attitudes towards a casino establishment in three aspects of impact (economic, social and political and public policy issues). Even though, those findings demonstrated that the respondents agreed or disagreed in

¹⁹ See Table 16 in Appendix E.

²⁰ See Table 17-19 in Appendix E.

a casino establishment in terms of the three aspects according to their different background, the respondents had not offered their attitudes and opinions because the proposals in those three impacts in this part of questionnaire were already set.

Therefore, another part of the questionnaire included open-ended questions to encourage the respondents to offer their opinions. The open questions which asked each respondent to provide a separate opinion to the closed questions. The respondents were invited to comment whether or not they were supporting a casino development in the region in terms of economic, social and political and public policy impacts and ask the respondents to provide their own reasons which would be interesting as they could be something new or unexpected.

This section presents the findings from the respondents' opinions. Responses commented on support for the operation of a casino in the region in terms of economic, social and cultural, and political and public policy impacts that such an operation could have. The analysis in this part is counted only those who offered comment which is 73.6 per cent of all respondents.

Table 8.6 to 8.7 summarise those comments but does not include in the summary those who did not respond (26.4 per cent).

Table 8.6 Support of a Casino in Terms of Impact

In Terms of	Frequency n=131(Per cent)		
	Economic Impacts	Social & Cultural Impacts	Political & Public Policy Impacts
Support	83(63.3)	49(37.5)	64(48.9)
Do Not Support	48(36.7)	82(62.5)	67(51.1)

There was a great number of responses who support a casino on economic impacts (63 per cent support and 37 per cent do not support) which is reversal on social impact (63 per cent do not support and 37 per cent support). In the aspect of political and public policy impact, the responses of supporting and not supporting are evenly divided.

Table 8.7 Support of Casino Development in Each Region

	Frequency (per cent)			
	Chiang Mai (n=73)		Chiang Rai (n=58)	
	Support	Don't Support	Support	Don't Support
In terms of				
Economic impacts	61(83.5)	12(16.5)	22(38.0)	36(62.0)
Social and cultural impacts	44 (60.3)	29(39.7)	5(8.6)	53(91.4)
Political and public policy impacts	51(69.9)	22(30.1)	13(22.4)	45(77.6)

Table 8.7 summaries responses on the level of support for the operation of a casino in their region (Chiang Mai and Chiang Rai) in terms of economic, social and cultural, and political and public policy impacts.

The responses in the two regions are very different with many more respondents in Chiang Mai supporting a casino development in each of the impacts which is very high in economic impact (83.5 per cent in economic) and high at 60.3 per cent in social and cultural impacts and 69.9 per cent in political and public policy impacts. The Chiang Rai respondents do not support a casino development under any terms, with a very high (91 per cent) opposed on the social and cultural impact, 77.6 per cent opposed to the political and public policy impacts and 62 per cent to the economic impact.

The responses of those who support and do not support a casino establishment will be compared with their answers of close questions when they rated scale for those proposals in terms of economic, social and political and public policy impacts. The same statistic method as the comparison between attitudes and backgrounds (*t-test*) is used for analysis in this part.

It is quite clear that the responses from these two groups are significantly different on most issues. Those supporting a casino were in agreement on most proposals. However, both groups had similar means on some proposals such as most of those visiting the casino would be local people; and local businesses would lose some of their customers because they would not compete effectively with casino businesses. It is concluded that those who were willing to

support a casino establishment were in agreement on the positive proposals.²¹ The respondents who do not support a casino development agree with most of the negative issues such as: having a casino damages the community morally; people will spend their savings on gambling because it is easy to access; a casino causes an increase in the incidence of compulsive gambling behaviour which leads to personal and family tragedies; a casino is bad for a community because it encourages gambling which in turn attracts crime, prostitution and drugs trafficking, to name a few.

At the same time, those who support a casino see the benefit of a casino as there were more agreeing on the establishment of a casino helping the character and image of the city; a casino operation getting rid of illegal gambling; crime, prostitution and drugs trafficking being part of modern life and not necessarily part of the presence of a casino; generating funds for community development being the contribution of a casino; a casino giving people more choice for entertainment and spending a night out; and a casino being one of the more effective leisure activities in modern life. There are significant differences between the groups in all these statements which means those who support a casino agreed in all positive proposals and did not believe in negative impacts would be caused by a casino operation.²²

The means between the different attitudes of respondents in terms of political and public policy impacts for each statement shows that the respondents who support a casino development agree with the issues involving the areas of benefit from a casino and the role of government and policy makers. However, those who do not support a casino were strongly in agreement on the proposal that a casino would bring the risk of increasing greed as some public officers look to bribes in the operation and regulation of a casino; and political corruption and scandal being risks. There are significant differences between the groups in all these political and public policy proposal which means those who support a casino agreed in all main benefits of a casino and did not agree in the risks from casino operation.²³

²¹ See Table 19 in Appendix E.

²² See Table 20 in Appendix E.

²³ See Table 21 in Appendix E.

8.5 Summary

8.5.1 Background of Respondents

The survey of attitudes towards a casino establishment of 178 respondents was undertaken in two regions; the target group of Chiang Mai and the control group, Chiang Rai as the control group. Their background information was considered alongside their attitude towards the establishment of a casino. The survey group were categorised their political involvement according to their occupations. Those who are connected to politics by their career position (members of the municipality, members of provincial councils and members of parliament) were grouped as politicians. The others, including police, lawyers, business people, non-government officers, bankers, educational lecturers, horse racing officers and municipal officers are grouped as non-politically involved.

The major group of respondents (84 per cent) were in the 31-50 year old groups. In these two regions, there are slight differences in the major age groups of the respondents as there is a larger number of 31-40 year olds in Chiang Mai while the older age group is larger in Chiang Rai. Most respondents hold Bachelor's degree qualifications while in Chiang Mai, the group of post-graduate holders is greater than in Chiang Rai. There is a lesser proportion of females than males in the survey groups in both regions. Respondents were mainly from the middle income group earning between 120,000 and 480,000 Bahts per year with those from Chiang Mai in an overall higher income bracket than those from Chiang Rai. In Chiang Mai, there was a significantly greater number of respondents with casino experience than those without. In contrast, in Chiang Rai, few respondents had been to a casino.

8.5.2 Attitudes towards a Casino Development

Economic Impact

It has been shown that respondents see the impacts of a casino clearly evident in the tourist industry, with most respondents agreeing that having a casino in Thailand would benefit tourism by encouraging tourists to visit Thailand rather than other countries; they also agree that a casino would attract tourists to spend more time and money in the region which is a benefit. However, the respondents are not clear about what would happen in the region with a casino development. Thus, they disagree on even whether a casino would encourage tourists to the region because they are uncertain whether those visiting the casino would be from outside the area; half of them agree that most of the casino visitors will be local people. Besides that,

they have different ideas on agreement and disagreement about tourists having more disposable income so prices of goods and services increase as a result, making it hard for local people on their lower incomes. It is noticeable that many of the respondents do not have direct experience of any casino impacts. Therefore, the relationship between the tourist industry and casino operation may be pointed out from what they have seen or heard i.e. that many Thai business people visit casinos abroad. That could mean a casino attracts tourists who may happen to be in the region. However, the respondents were not aware of the many reports of specific situations such as different kinds of visitors to casinos or the rise in the prices of goods and services. Therefore, their answers are varied or uncertain.

In relation to taxation and revenue, most respondents agree that establishing a casino would provide important new sources of income for local government through gambling taxation and licence fees. A large number of respondents also believe that local government would gain revenue needed for the development of infrastructure and the city from the introduction of a casino. Many of the respondents think the central government would gain mainly from the casino development through the additional revenue from taxation with expanding business activity in the area. However, most agree that the government would also face demands for increased expenditure on infrastructural development, social welfare, police, courts and other expenses with the introduction of a casino.

In terms of employment, almost half the respondents agree that there would be more jobs with the introduction of a casino and that it may create many additional jobs. Although few of the new jobs are for the locals, some professional positions would be recruited from other regions. However, they mainly disagree or are uncertain on whether wages and salaries would be higher and also whether any employees would gain a range of benefits in addition to their salary or wages, such as health insurance, annual bonus, welfare or other payments.

More respondents agree that with the establishment of a casino would come new businesses and business expansion and that most of the new businesses would be in the tourist sector, such as souvenir shops, accommodation and catering. However, those businesses would face difficulties in attracting employees because they offer lower wages than the casino. Finally, most respondents also point out that local businesses would lose some of their customers because they would not compete effectively with a casino.

Different regional respondents have different attitudes. A majority from Chiang Mai agree on some of the tourism aspects, for example, the additional revenue from taxation and the new businesses and business expansion while not many respondents of Chiang Rai agree

on these points. The respondents of Chiang Rai totally disagreed on all proposals about employment but respondents from Chiang Rai have varied attitudes in that they both agree and disagree.

The differences in attitudes to economic impacts can be explained in part according to the differences in economic background as Chiang Rai respondents are mainly in the lower income group and most of them have never been to a casino and cannot see the consequences of a casino's economic impacts as can respondents from Chiang Mai, many more of whom have had the experience of visiting a casino.

Attitudes towards casino development in the region are obviously influenced by those who have visited casinos. People who have never been to a casino are more likely to disagree with many statements. Some respondents without any casino experience expect that tourists would have more disposable income so prices of goods and services would increase as a result, making it hard for local people on their lower incomes, while the respondents who have been to casinos disagree and are uncertain about those proposals. Respondents without casino experience also believe that most of the new businesses would be in the tourist sector, while not many casino-experienced respondents agree to this. Those who have not been to a casino guessed the picture and the impacts of a casino from information by reading or listening which may be good or bad, while the others who had visited casino commented from what their experience.

Social Impact

The majority of respondents from both areas strongly agree on the negative impacts of a casino and were more in disagreement that a casino development would have positive social impacts. Most respondents see the risks more clearly but are less clear about possible benefit.

As Chiang Mai has been one of Thailand's major tourist destinations for a long time, people there are used to city life and they understand many aspects such as leisure, entertainment and other aspects of modern life rather better than the respondents from Chiang Rai. It is quite clear that the respondents from Chiang Rai are against a casino establishment because they disagree that there are many benefits from a casino and fear that a casino would bring risks of crime and prostitution. All respondents from Chiang Rai believes that a casino represents a waste of time and a loss of productive effort, and they mainly disagree that a casino gives people more choices for entertainment and spending a night out and that it is one of the more effective leisure activities in modern life. This is an interesting issue for Chiang

Rai as there are three casinos operating just across the border from Chiang Rai. Some risks or threats of those casinos may affect some Chiang Rai people and some are aware of the many disadvantages which could happen if there is a casino in the city.

Further, while several of the Chiang Mai respondents disagree with proposals for a casino development, most of them are hardly against a casino as they can see the positive impacts. For instance, they agree that the establishment of a casino would help the character and image of the city with the improved infrastructure and social welfare available and that crime, prostitution and drugs trafficking are a part of modern life and not necessarily part of the presence of a casino, unlike the respondents of Chiang Rai. Also respondents from Chiang Rai do not believe that generating funds for community development is the most important social contribution a casino can make, while the majority of Chiang Mai respondents agree with this.

Regarding the social impacts of a casino establishment between the gender groups, there is not much difference. However, there are some interesting points: there is a higher proportion of females than males who agree that a casino represents a waste of time and a loss of productive effort and that people pay less attention to developing their career because it is easy to get a well-paying job in the casino.

Politics and Public Policy Impact

Most of the respondents have similar attitudes to these impacts. The majority strongly agree with the main areas of advantages from a casino such as economic benefits, better legislation for legal gambling, getting rid of illegal gambling and infrastructural development, and that policy-makers need to work hard to ensure policies result in improvements for casino operations and for local people. They also agree with the proposals about negative political impacts from casino legislation such as the risk of increasing greed, bribes, political corruption and scandals.

In the two regions, the attitudes towards a casino establishment in political and public policy impacts are quite similar between the regions. However, in the idea of the central government's main role in casino development and some main areas of benefit, the respondents from Chiang Mai are more in agreement than respondents from Chiang Rai in view of their different experiences in developing their budgets, as outlined in Chapter 6. The Chiang Mai municipality has been facing financial problems to organise its own budget. The Chiang Mai municipality does not have enough of its own income and uses the central government's annual

budget which makes the municipality have less autonomy and public participation. Thus, to solve this problem, the municipal administrators have tried to find new sources of income which may help them not to rely on only the central government's annual budget.

It is obvious that the respondents who are not involved in politics mainly disagree or are uncertain what the political and public policy impacts are but they believe the casino may be a cause for corruption and increasing greed for politicians while the politically involved respondents do not. From the responses given, it is clear that political involvement reflects different attitudes. As the politicians have been through many of the political and policy problems, they have more confidence in facing, solving or avoiding the problems. In the case of corruption, the politicians try to neglect the issue by disagreeing or guessing it would not happen while the non-politicians obviously agree that a casino will encourage corruption in political system.

There was another part of the questionnaire which were also opened questions and asked the respondents to set the scenario in case of a casino is operating in their regions. The question invited them to generate the solutions for problems causing by a casino and how to create more benefits from a casino. The findings are presented in the next Chapter.

Chapter 9

Towards a Casino Establishment

Whether a casino will be established in Chiang Mai is still to be under discussion. From the previous chapter, the attitudes of the people from the two regions, Chiang Mai and Chiang Rai, show the differences between regions and backgrounds which are significant information that needs to be considered if there is to be a case for casino development in the region.

The responses reported in this Chapter are from different questions from those reported in Chapter 8. This part of questionnaire used open-ended questions without any guidelines from the author. These questions were designed to enable respondents to volunteer their own comment, ideas and observations. Respondents were asked four open-questions based on the proposal that a casino was established in their regions 1) what do you see as the main benefits and opportunities of such a (casino) development? 2) what are the major threats/risks in establishing a casino in the region? 3) how could the costs of establishing a casino in the region be reduced? And 4) how could the benefits of establishing a casino in the region be increased? There were 101 who did not respond to the open-ended questions, leaving just 77 respondents of the possible total of 178 who provided their opinions about the opportunities and threats. The answers were grouped, counted and categorised to the economic, social and political impacts as presented in Tables 9-1 and 9-2.

To find out how to get more benefits from a casino development, the questions asked the respondents to generate solutions to reduce the threats and increase the opportunities. Responses are presented in Tables 9-3 and 9-4, while the details from open-ended questions are discussed later. These responses were raised by the respondents voluntarily without any suggestion from the writer.

The final section of this chapter presents the prospect of a casino developing and solution that decision makers will use in Chiang Mai.

9.1 Opportunities and Threats

Table 9.1 Attitudes to Opportunities and Threats (Questions 1-2)

	Mentioned	Not Mentioned
	n (%)	n (%)
<i>Opportunities</i>		
Employment	34 (44.1)	43 (55.9)
Tourist industry	27 (35.0)	50 (65.0)
Taxation	24 (31.2)	53 (68.8)
Business growth	12 (15.5)	65 (84.5)
Reducing illegal gambling	6 (7.8)	71 (92.2)
<i>Threats</i>		
Anti-casino group	9 (11.7)	68 (88.3)
Gambling addiction	20 (25.9)	57 (74.1)
Crime, drugs and fraud	29 (37.7)	48 (62.3)
Higher cost of living	7 (9.1)	70 (90.9)
Bad regional image	19 (24.7)	58 (75.3)
Corruption	8 (10.4)	69 (89.6)
		(n=77)

The responses were not particularly full, only 77 respondents or 43.3 per cent of the total potential respondents completed the open questions summarised in Table 9.1. The combined responses are from both Chiang Mai and Chiang Rai on the opportunities and disadvantages of a casino development. 56.7 per cent did not provide any response to the above.

Those mentioning opportunities refer almost entirely to economic matters, while the threats mentioned several broader issues. The main benefits noted were: employment (44.1 per cent), tourist industry (35 per cent), taxation (31.2 per cent), business growth (15.5 per cent) and reducing illegal gambling (7.8 per cent).

37.7 per cent of the respondents mention the threat of crime, drugs and fraud, while 25.9 per cent mentioned gambling addiction. Some of the other disadvantages also mentioned are that a casino causes a bad regional image (24.7 per cent), there would be an anti-casino

group which may resist the local government as a casino supporter (11.7 per cent), a casino leads to corruption of politicians (10.4 per cent); and the cost of living in the region will be higher because the targets of businesses will be on for tourists and gamblers who have more money to spend than local people.

Table 9.2 Regional Attitudes to Opportunities and Threats

	Chiang Mai (n=46)		Chiang Rai (n=31)	
	Mentioned	Not Mentioned	Mentioned	Not Mentioned
	n (%)	n (%)	n (%)	n (%)
<i>Opportunities</i>				
Employment	23 (50.0)	23 (50.0)	11 (35.5)	20 (64.5)
Tourist industry	20 (43.7)	26 (56.3)	7 (22.6)	24 (77.4)
Taxation	15 (32.6)	31 (67.4)	9 (29.0)	22 (71.0)
Business growth	9 (19.5)	37 (80.5)	3 (9.7)	28 (90.3)
Reducing illegal gambling	4 (8.7)	43 (91.3)	2 (6.5)	29 (93.5)
<i>Threats</i>				
Anti-casino group	6 (13.0)	40 (87.0)	3 (9.7)	28 (90.3)
Gambling addiction	12 (26.0)	34 (74.0)	8 (25.8)	23 (74.2)
Crime, drugs and fraud	17 (37.0)	29 (63.0)	12 (38.7)	19 (61.3)
Higher cost of living	6 (13.0)	40 (87.0)	1 (3.2)	30 (96.8)
Bad regional image	11 (24.0)	35 (76.0)	8 (25.8)	23 (74.2)
Corruption	1 (3.4)	43 (96.6)	7 (22.6)	26 (77.4)

The responses from each region show some important differences. More respondents from Chiang Mai had opinions about the opportunities and disadvantages of a casino than respondents from Chiang Rai on all issues. For example, on the opportunities that a casino development can bring, 50 per cent of Chiang Mai's respondents mentioned employment as a benefit while only 35.5 per cent respondents from Chiang Rai mentioned this. Similarly, on the

tourist industry 43.7 per cent of Chiang Mai residents mentioned this compared with 22.6 per cent of Chiang Rai; for taxation, it was Chiang Mai 32.6 per cent and Chiang Rai 29 per cent; and on business growth, it was 19.5 per cent in Chiang Mai and 9.7 per cent in Chiang Rai.

Under threats, respondents from both regions had very similar comments. They agree on gambling addiction (Chiang Mai 26 per cent: Chiang Rai 25.8 per cent); crime, drugs and fraud (Chiang Mai 37 per cent: Chiang Rai 38.7 per cent); bad regional image (Chiang Mai 24 per cent: Chiang Rai 25.8 per cent).

However, many more respondents from Chiang Rai (22.6 per cent) significantly mentioned corruption than did respondents from Chiang Mai (3.4 per cent).

This information is similar to the findings in Chapter 8 as the respondents from Chiang Rai did not support casino in any way. Furthermore they were not interested the establishment of a casino and avoided commenting about its opportunity. It is opposite in Chiang Mai where respondents had rather more interest in a casino establishment and showed the readiness by commenting clearly about the opportunity of a casino. At the same time they did not mention much about threats.

The details of responses from those questions and some discussions with regional decision makers are presented next.

Chiang Mai

Forty-six respondents from Chiang Mai mentioned some of the opportunities and disadvantages of the establishment of a casino compared with the thirty-one respondents from Chiang Rai. Many respondents in this region believed that a casino development would have a direct effect on macro and micro economics. However, some of them argued that it would have more effect on the national economy than on the local one because local government lack the power of general competence. Thus, all revenues and management would be organized by the central government. However, after a casino had been established for a while, the situation would change as people see the city's development and they may become more favourable to the opportunities. Regarding the question of whether they support a casino or not, the respondents expressed the following responses in terms of economic, social and political and public policy impacts.

1) Economic impacts

Having a casino in the region could be a big employment resource for people either in the region or elsewhere. When more people are employed, the micro economy of the region will be better because people have on-going jobs and constant incomes.

A casino would attract more tourists to the city and more related businesses such as catering, souvenir shops and tour groups will grow. Furthermore, local government would have revenues from taxation and gambling licenses.

However, a few respondents were concerned with the casino patrons and considered how the micro economy may be affected if local people became regular casino patrons and addicted to gambling. This could be wrong purpose of the casino establishment because the target group of the casino is the tourists and people from any other regions, not the locals.

2) Social Impacts

There are two different arguments in terms of social impacts. First, some respondents mentioned a casino as providing easy access to gambling which may attract people to become addicted to gambling. The other argument is that if there is a casino in the region, there would not be any illegal gambling because no one wants to break the laws regarding illegal gambling when legal gambling is available. However, they considered that a casino would not be a cause of crime as there was already a high crime rate in Thailand.

3) Political and Public Policy Impacts

Many respondents in Chiang Mai considered that a casino may become a political issue as the opposition parties scale to use it to oppose local government. Some groups of people may set up an anti-casino group and produce negative propaganda which would give people a wrong impression of a casino.

However, if there is a casino in the region, the local autonomy of local government has a good chance to develop and build up the power of general competence because local government will have its own income and power which it can directly budget for community development without management by the central government.

Chiang Rai

Thirty-one respondents replied to the open-ended questions. Not many respondents from this region support the idea of a casino as a means of solving economic problems. While respondents can see both positive and negative impacts of a casino, none of the municipal

members and social group leaders support the development of a casino. However, those respondents from business groups agree on this. The supportive reasons whether or not there should be a casino establishment in Chiang Rai are as noted below.

1) Economic Impacts

Most respondents believe that there would be more employment in the region with higher salary and wages because of the competition between a casino and other business sectors. Besides that, welfare and health insurance for employees may be better. However, problems of labour shortage are envisaged in the local business sector.

There would not be any impact on the tourist industry in Chiang Rai. All respondents commented that tourists may come to the region because of the casino and that they would not spend their money on anything else apart from gambling. Thus, only the casino would get the benefit and the other businesses would not gain any income from this kind of tourism.

Members of the municipality understand that having a casino is a source of income for the municipality which comes from gambling taxes, casino licensing and contributions from the casino for local development. However, a leader of a social group¹ commented that all the budget would be spent for city development only, but infrastructure in rural areas would be the same because a casino is in the city and the business may develop only around the casino location. Thus having a casino in the region would not develop a grass-roots community at all.

None of the respondents from Chiang Rai mentioned that a casino in the region could encourage Thai gamblers who usually go to casinos in other countries, as there are about three casinos operating close to their region to do their gambling in Thailand.

The negative economic impacts of a casino were related to gambling and addiction. A few respondents were concerned that people will spend their wages and savings money in gambling as it would cause personal and family economic problems. Some people may incur debts from their expenditure or gambling.

2) Social and Cultural Impacts

All those who responded believe that gambling is evil and that a casino is the key to gambling. This idea is based on fears that casinos cause crimes, fraud, prostitution and drug dealing. However, some of them recommended that if there were a well organised social order, the problem would not be so serious as previously thought.

¹ Respondent from Club for Chiang Mai, a local NGO.

Having a casino and related businesses in Chiang Rai may change people's social values of their money spending. There would be many more advertisements for goods and services aiming to persuade of purchasing which may have been targeted at tourists. However, local people would see these advertisements all the time and this may affect their daily lives. Further more, they may come to have a positive image of gambling because it is legal and easy to access.

Some of the respondents describe that establishing a casino would create a negative image of regional culture. Some investors from other regions who may not understand regional culture may want to change something which affects local people's ways of living such as trying to use the Thai language instead of the local dialect. Besides that, having some related businesses such as night clubs or bars could be a source of prostitution. Some respondents were concerned with the amount of garbage discarded and high buildings constructed which would not be in keeping with local architecture.

Most of the Chiang Rai respondents disagreed with a casino establishment because they do not want to have legal gambling. They believe that gambling can cause a lot of negative impacts when people are addicted, such as family and social financial problems which leads to crime, fraud, prostitution and drug dealing; gambling addiction will affect a gambler's career- they may be late or absent or steal money from work or colleagues; a legal casino leads young people to gambling and creates an attitude that gambling is normal for recreation but they may become addicted and need more spending money which is the way to crime or prostitution.

Moreover, some respondents believe that casinos could encourage more illegal gambling dens just as the government lottery and underground lottery do. The respondents believe that if there were a legal casino which restricted the visitors, some unqualified gamblers may go to illegal ones. Besides, a casino would encourage underground businesses such as drugs dealing, smuggled goods and trafficking.

3) Political and Public Policy Impacts

Having a casino would be beneficial for local governments in terms of taxation and license fees which could assist the financial situation of municipality. However, officers and politicians may still find ways to use the casino for corrupt ends.

It cannot be denied that an income from casino operations could help to solve regional financial problems. However, there would be some conflicts even in the same or different political parties in terms of revenues and involved benefit such as taxes and license fee.

Meanwhile, if people know that there is any corruption or wrong usage of some budgets in local government, they would lose political confidence and have negative views towards politics.

9.2 Solution for a Casino Operating

These open-ended questions were designed to find out what attitudes people held about what they expected might happen if a casino were to be established in the region. It was understood by respondents that the casino proposal was not something about to be constructed. These questions invited respondents to suggest how the outcomes could be maximised for the community as a whole, rather than to determine whether they opposed of a casino establishment. The questions are a) how the costs of establishing a casino in Chiang Mai could be reduced and b) how the benefits of establishing a casino in Chiang Mai could be increased. The respondents were asked to find the ways of reducing the costs and increasing the benefits of a casino operation.

Of the total possible responses of 178 respondents, only 68-77 respondents (38.2 to 43.3 per cent) answered this part of the questionnaire. The number of the respondents in each question were not the same because some respondents gave comments in some topic but did not answer in some questions.

Table 9.3 Maximising the benefits of Casino Operation (Questions 3-4)

	Mentioned	Not Mentioned
	n (%)	n (%)
Do not want a casino	10 (12.9)	67 (87.1)
Setting up a public hearing	4 (5.1)	73 (94.9)
Providing full knowledge	11 (14.2)	66 (85.8)
Operate a casino and find solutions to problems as they arise	3 (5.8)	74 (96.2)
Restrict laws and regulations	36 (47.4)	40 (52.6)
Funding contribution from the casino	27 (39.7)	50(60.3)
Collaborative problem-solving	7 (10.3)	61 (89.7)
Well-prepared policies for the casino	31 (45.6)	37 (54.4)
Government ownership	2 (2.9)	75 (97.1)

(n=77)

Table 9.3 summarised the answers of respondents in Chiang Mai and Chiang Rai to the questions of how to reduce the costs and increase the benefits of a casino operation.

47.4 per cent of the respondents mentioned restricting laws and regulations by the local government to control people in the region while 39.5 per cent suggested funding contribution from the casino to develop infrastructure in the city and contribute to education and social welfare. Some respondents (12.9 per cent) believe it is better to reduce the cost by not having any casino in any region while 14.2 per cent accept the idea of a casino but believe that people need perfect knowledge of a casino before developing one, while 5.1 percent suggest having a public hearing to find out what people actually think about a casino establishment. However, another 3.8 per cent think that a casino should be operated for a while to discover if there are any problems and to find the solutions accordingly.

45.6 per cent of respondents believe that well-prepared policies which formulated by the casino such as the restriction of visitors, membership and investor considerations, security systems and location of a casino are important, while 10.3 per cent suggested using collaborative problem solving by many groups of occupations in the region such as setting up a group that can organise seminars and workshops to provide solutions to any problems caused by a casino. However, two respondents (2.9 per cent) mentioned that the casino should be

operated and owned by local government to avoid any scandal or corruption of the public officers.

It is evident that same number of the respondents from each region is concerned with setting up a public hearing. The issue of casino establishment attracts public interest and people want to participate in sharing their views. More respondents from Chiang Mai (18.2 per cent) are likely to mention the benefit of perfect knowledge than respondents from Chiang Rai (9.1 per cent).

Because the respondents from Chiang Rai are more opposed to a casino, they are not interested in funding from the casino or in preparing law and restrictions for a casino in the way the respondents from Chiang Mai are. Thus, the proportion between the regional respondents in the concept of restricting law and regulation are clearly different (Chiang Mai 59.1 per cent : Chiang Rai 31.3 per cent) and also in getting funding from the casino (Chiang Mai 45.0 per cent : Chiang Rai 32.1 per cent).

For the same reason, only 28.6 per cent of respondents from Chiang Rai mentioned increasing the benefits of a casino compared with 57.5 per cent of respondents from Chiang Mai who mentioned well-prepared policies for the casino as being necessary.

Table 9.4 Maximising the Benefits of Casino Operation by Region

	Chiang Mai		Chiang Rai	
	Mentioned	Not Mentioned	Mentioned	Not Mentioned
	n (%)	n (%)	n (%)	n (%)
Do not have any casino	3 (6.8)	41 (93.2)	7 (21.2)	26 (78.8)
Setting up a public hearing	2 (4.5)	42 (95.5)	2 (6.1)	31 (93.9)
Providing full knowledge	8 (18.2)	36 (81.8)	3 (9.1)	30 (90.9)
Operate a casino and find solutions to problems as they arise	1 (2.3)	43 (97.7)	2 (6.1)	31 (93.9)
Restrict laws and regulations	26 (59.1)	18 (40.9)	10 (31.3)	22 (68.7)
Funding contribution from the casino	18 (45.0)	22 (55.0)	9 (32.1)	19 (67.9)
Collaborative problem-solving	2 (5.0)	38 (95.0)	5 (17.8)	23 (82.2)
Well-prepared policies for the casino	23 (57.5)	17 (42.5)	8 (28.6)	20 (71.4)
Government ownership	2 (5.0)	38 (95.0)	- (-)	28 (100.0)

Even though fewer Chiang Rai respondents (21.2 per cent) were opposed to a casino than those from Chiang Mai (3.1 per cent), there were two respondents from Chiang Rai who wanted to try to operate a casino and look for solutions later but one from Chiang Mai thought this even though several people agreed to a casino development.

The responses from the open-ended questions and the results of some discussions with regional decision makers are presented below according to region.

A Casino in Chiang Mai?

The questions on the possible introduction of a casino focused on the main benefits, opportunities, risks and threats of such a development and the major threats/risks in establishing a casino in the region. Besides that, other questions invited the respondents to suggest how to reduce the costs and increase the benefits of establishing a casino.

The obvious main benefits and opportunities seen by Chiang Mai respondents were the economic impacts. They include the macro economics of the region with respondents envisaging an expanding tourist industry, with people employed in many businesses which will grow because of the numbers of tourists visiting, and the municipality having more tax and revenue to use for community development. Meanwhile, the illegal gambling dens would disappear as people lose interest in illegal activities uncontrolled by the law. Moreover, some gambling money could be circulated in the region because some business people who usually spend their gambling money in casinos in other countries would do the same thing in the region.

However, the risks of a casino operating in the region would occur as a casino provided gambling which can become an addiction. Many respondents fear the problems of crime, drugs trafficking and fraud in the case of some criminals who would use a casino to their advantage. Some respondents mentioned that the image of Chiang Mai would change from that of an old, cultured and beautiful natural resource city to one of a gambling or a casino city.

Some members of the municipality suggested that an anti-casino group may incite people who do not have enough information about casinos in the region to oppose a casino and the government or the political parties who support a casino.

To reduce those costs, a few respondents suggested locating a casino in an area far away from schools and communities, to restrict the members of the casino by considering age

and financial status of the patrons (not younger than 21 and can approve bank statement to prove funding), to set operating times to suit and to strongly control the security system. To protect people's misunderstanding of a casino development, the local government should provide them with full information about casinos on both negative and positive impacts.

On the question of how to increase the benefits of a casino's establishment, some of the respondents mentioned that a casino should be established as a recreation centre which attracts tourists and their families to spend more time and money.

Well-prepared policies for a casino such as high license fees, community contributions and some regulation was mentioned by many respondents as ways of making a casino more beneficial for the region. Some respondents suggested using collaborative problem solving by many academics and groups of people in the region.

A Casino in Chiang Rai?

Respondents from Chiang Rai offered quite different views of the opportunities provided by a casino with many of them revealing that they cannot see any benefit from a casino establishment. However, a few responses from every occupation mentioned the opportunities of attracting more investment to the region and the increased revenue from taxation from business growth.

On the other hand, all of the responses also pointed out some threats posed by the casino through the corruption of related officers and politicians, the city losing its cultural image, there would be some compulsive gamblers with family and personal financial problems, the cost of living would be higher, there would be more criminals, fraud, prostitution and drug dealing would occur in the region and some youths who could not evaluate the positive or negative effect of gambling would get into it easily.

To solve those problems, many of the respondents disagreed with the idea of a casino development. If there were no casino, they took the view that such problems would not occur and thus the local government would rather consider another method of solving economic problems and get rid of all of the illegal gambling at the same time. However, some respondents said that if a casino was set up for a while, it would be possible to see whether some of the above problems occurred and suitable ways could be found to solve those problems.

Despite the benefits that a casino could provide, most respondents from Chiang Rai did not want to have a casino in their region. However, some of them wanted to have a public

hearing before making a decision. Besides that, if a casino was to be established, certain rules and regulations would have to be set up with regard to any casino operation.

9.3 Local Decision Making and Local Development

This section presents ideas for key processes involved in decision making in the Chiang Mai Municipality regarding the possibility of a casino development and the development models they used. It was derived from informal discussion with the Mayor and members of Chiang Mai's municipal council on the way in which they examined the idea of promoting idea of a casino established in Chiang Mai. The findings are useful for monitoring the subsequent plan and strategy of setting the casino in a local area of Thailand.

Before setting out the problems associated with the development of a casino, this section will outline some of the background issues facing the Chiang Mai municipality. Issues arising from problems presented by the establishment of a casino would be a part of the municipality's tasks and, from the policy-makers' point of view. The casino's problems would not be not very different from any other of the on-going problems in the region. In the good case scenario, the establishment of a casino would solve a number of problems, while giving rise to others. The second part of this section will outline what the municipal decision-makers think about a casino development in the region as a mean of problem-solving and democratic enhancement.

Financial Problems

Chiang Mai's main municipal problems are no different from those of other municipalities or other local governments in facing insufficient income to perform their duties. Even though the income to Chiang Mai has increased every year, it is not sufficient to support the rapid growth of city development projects necessary following the population expansion of recent years. In the Chiang Mai municipality, 40 Km square of Chiang Mai city is governed by the Chiang Mai municipality which includes about 200,000 people having household registrations. In addition to this count, many university students and people from other regions come to work or to live in Chiang Mai without changing their household registration, creating financial hardship for the municipality required to work for the great number of people - about 3-400,000 people - who require its services. As a result of the work load, there are many problems in the municipality such as water pollution, uncollected garbage, traffic congestion, unemployment, and city pollution. For the fiscal budget, in 1985, only 140 million Bahts was

available but it gradually increased to 500 million Bahts per annum in 2002,² but for this amount of population it was not enough.³ Moreover, after managing this budget, there was only 100 million Bahts for city development and services left for people, which was far too little to render quality service for 400,000 people in one year.⁴

Then there are the tax collection problems. Taxes should be a regular source of income and all taxes need to be collected and sent to the central government before being allocated back to the region. This process of financial allocation is not considered by local needs with the decision made by the central government as tax distributor.

The Mayor said that when he was a Financial Duty Mayor in 1997, 200 million Bahts of Chiang Mai's fiscal budget came from the central government and another 200 million Bahts from tax revenues; half of which was collected and reallocated by the central government. As a result, revenue collection was not sufficient for implementing municipal projects. The Mayor considered that tax collection is also not enough due to local personnel shortages and lack of effective tax collection processes. Hence the process of tax or fee collection has to be improved and the proportion or *a new kind of local tax* has to be introduced.⁵

Autonomy and Decentralisation

It has been mentioned concerning local financial management in the Ninth National Economic and Social Development Plan in Chapter 2, that one of the development strategies is consolidation of the fiscal position and decentralisation of growth in regional areas. The Ninth Plan envisaged this should be initiated through expenditure increase and the adoption of revenue enhancement measures to support economic expansion in the regions. Savings for the region should be promoted, along with decentralisation of fiscal authority, and appropriate transfer of functions to local administration.⁶

This strategy does not apply to the financial situation of a local government unit in this case study. The Chiang Mai municipality still needs government subsidies to carry out its many

² See the Municipal Revenue in Table 6.1, Chapter 6.

³ Chiang Mai Municipality, *10 Year Budget of Municipality*, Chiang Mai : Chiang Mai University, 2001, pp.42-58.

⁴ Discussion with Mr.Komkij Chantawat, ex-Deputy Mayor, 18th December 2001.

⁵ Discussion with Mr.Pakorn Buranupakorn, Mayor, 14th January 2002

⁶ Office of the National Economic and Social Development Board, *the Ninth National Economic and Social Development Plan.*, pp.x-xi.

functions. All municipal administrators, therefore, are forced to depend on government subsidies which cause many problems in administration. Dependence on the central government subsidy means that all policies and city development projects tend to follow those of the central government guidelines instead of local needs and initiations.⁷ Another member of the municipality noted that not only is Chiang Mai municipality controlled by the Ministry of the Interior, but the governor and the provincial office are also influential on municipality projects. He gave the example that, "...in the case of a drainage system in a municipal area, if we want to do something new for the Ping River,⁸ we have to have permission from the Harbour Department which is located in Bangkok".⁹ Many members of the municipality understand this problem. One of them noted "it is our problem but there is nothing we can do. We have to be under the central government as long as we need its financial support".¹⁰ A Duty Mayor¹¹ added that this situation is quite awkward and causes all administrators frustration when they have to wait for the central government's decision.¹² To solve this problem, a younger generation politician suggested that they should prove that their municipality has the potential to look after the region. If they have their own revenue, then they could demonstrate that they did not need any income subsidy from central government.¹³ Eventually, the local government would have the autonomy to administer the municipality itself.

Public Participation

According to the Ninth National Economic and Social Development Plan, one of the development targets is to enhance linkages between rural and urban development, through a restructuring process which lead to equality and sustainable development throughout the country. Emphasis in the Plan is placed on poverty eradication, economic stability, and improved social equality in every locality.¹⁴ Therefore, the national development concept shift toward a people-centred approach is based on popular participation by all people in

⁷ Discussion with Dr. Thanun Anumanchathon, Lecturer, Political Science Department, Faculty of Social Sciences, Chiang Mai University, 10th January 2002.

⁸ The main river of Chiang Mai.

⁹ Discussion with a member of the municipality, 7th January 2002.

¹⁰ Discussion with Mr. Tawatchai Sriboonruang, a member of the municipality, 12th January 2002.

¹¹ There are 4 Duty Mayors who look after each aspect of a municipal level of development. See the detail in Chapter 4.

¹² Discussion with Mr. Manat Sirimaharaj, a Duty Mayor, 11th January 2002.

¹³ Discussion with Mr. Jakkawan Wannawong, a member of the municipality, 17th January 2002.

¹⁴ Office of the National Economic and Social Development Board, *op.cit.*, pp.26-27.

society.¹⁵The Plan is concerned that local people, communities, and organizations actively participate in the process of local development. Cooperative networks shall be promoted at regional and national levels.¹⁶

In the case of local participation in Chiang Mai, with insufficient income and unsuitable policies and development projects, local participation does not seem to meet the Ninth Plan. Local development is not up to public satisfaction. This leads to a limitation of public participation as the public has low expectations of the municipality. A former Duty Mayor gave an example of refuse collection which has been a big problem for the Chiang Mai municipality since 1995. In this case, people thought that the municipality does not have enough budget to build a modern incinerator to eliminate all refuse.¹⁷ Meanwhile, it was seen that the municipality does not even have power to solve this urgent problem. An NGO leader argued that the municipality did not provide information to the people and they did not know what the municipality administrators were doing. He concluded that the situation would not become worse if people had full knowledge from the local government.¹⁸

Chiang Mai city does not belong to the local government but to every Chiang Mai citizen, hence the city's problems need public participation as they are encountering the problems as well.¹⁹ However, the nature of a politician's problem solving is that he/she attempts to solve the problem by using his/her creativity, authority or personal connection. However, there is always a backlog of problems. It will be very hard for the local government to handle all of the problems by themselves. Thus, they need help from other local groups.²⁰ Nonetheless, if the municipal administrators do not have a broad view of other groups' opinions, it will be difficult for the local government to work with local people. The non-government officer mentioned that as original Chiang Mai resident, she saw many problems of Municipality as being associated with the lack of a budget. Therefore, she understood the circumstances confronting the members of the municipality when they cannot solve the city's problems such as refuse, pollution and traffic congestion. However, she suggested the local

¹⁵ *Ibid.*

¹⁶ *Ibid.*, p.28.

¹⁷ Mr.Komkij Chantawat, *ibid.*

¹⁸ Discussion with the Project Manager of the non-government officer; Club for Chiang Mai, 28th December 2001.

¹⁹ Discussion with Mr.Therapon Boonsuwan, Leader of Community Forest Project, 25th December 2001.

²⁰ Dr. Thanan, *op cit.*

administrators open themselves to the community and listen to what people think and consider whether there are some solutions suitable for some problems.²¹

On the other hand, a member of the municipality believed that the local government had strong ambitions to solve local problems and all administrators were willing to listen to the people or the local associations and their positive suggestions.²² However, a member of the provincial office said that if the local administrations could present their will power and vision to solve the problems, they would get public participation eventually.²³

A Casino Establishment

An issue of the establishment of a casino in any region in Thailand has been widely discussed. There is much agreement about the reasons for a casino; there are also the opponents who have good reasons to disagree, as was mentioned in Chapters 2 and 8. However, a casino and its problems are part of the public agenda which is quite a sensitive issue for decision-makers in the region. The overall view of casinos was quite positive and seen as likely to solve some of Chiang Mai's major local government problems, while creating few additional problems.

When a member of the municipality who had been a politician for a long time discussed the casino development, he said, "I have been living in Chiang Mai all of my life and have seen all the problems here. So, I think I can see the picture of a casino quite clearly. However, what I can see is what everyone else in Chiang Mai can see as well". He explained further that a casino did not cause any more problems in the region as "the problems have already happened".²⁴ A Director General of the Chiang Mai Police Department agreed that having a legal casino could eliminate all illegal gambling dens and it would be easier to be controlled by law. He pointed out further that there would not be any scandals that police are getting under-the-table-money from illegal gambling. When raising a religious regulation, he noted how all sorts of gambling is banned under Buddhism and argued that there are many casinos in Buddhist countries which have controlled both gambling and crime better than Thailand which has many illegal gambling dens.²⁵

²¹ Discussion with Miss Sunich Thammawich, Club for Chiang Mai's field worker, 6th January 2002.

²² Discussion with a member of the municipality, 15th January 2002.

²³ Discussion with a member of the provincial council, 15th January 2002.

²⁴ Discussion with Mrs. Wanintra Sukchat, a member of the municipality, 21st January 2002.

²⁵ "Casino is Coming," *Thairath*, 20th December 2001, pp. 1, 17

A Chiang Mai Member of the Parliament agreed with the casino concept and believed that a casino could solve the problems of money laundering as patrons' sources of money could be verified. Both central and local governments would have on-going revenue from license fees and some part of the casino profit.²⁶

The idea of a casino establishment in Chiang Mai is not astounding for the people as talks have been going on for a long time and people do not mind the concept of gambling. The local columnist published in the local newspaper that it would not be surprising if a casino in Chiang Mai because the concept of a casino is acceptable and the benefits are obviously seen. Actually, gambling is already available everywhere in terms of illegal gambling dens which provide for all kinds of gambling. Therefore, having a legal one in the region should not turn out to be any worse. However, the most important thing is how to organise a well-prepared policy for the casino and the region.²⁷

Nonetheless, the discussions about the establishment of a casino have been going on but nothing has been done. One respondent suggested that it is a good time to have a public hearing as a first step before making any further decisions, otherwise conclusions will never be reached on whether a casino should be developed.²⁸ A member of the municipality agreed because a casino operation would be the new source of revenue for the region. He asked the opponents to predict unsolved problems associated from a casino and to let policy-makers know. Then, a casino could be developed with well-prepared policy.²⁹

However, the Ministry of Interior does not seem to agree with this and has avoided serious consideration of the possibility of a casino in the region. According to the Ministry, "it depends on people's opinions and there are no conclusions or answers to it right now".³⁰ Another Chiang Mai Member of Parliament has criticised the Minister of the Interior: "Do not go against the truth that we *are going to* have a casino in our region. The central government has quit many a casino proposal and we cannot see any change even though we want to have something to promote our region".³¹

A member of the provincial office suggested to the opponents not to use religion to oppose a casino because there is no regulation in Buddhism to protest a business and a casino

²⁶ Discussion with Mr. Prapan Buranupakorn, 9th January 2002.

²⁷ "Lanna Newsletter," *Thai News*, 24th December 2002, p. 5.

²⁸ Discussion with A Chiang Mai University Lecturer, 13th January 2002.

²⁹ Discussion with a member of municipality, 16th January 2002.

³⁰ "Casino Establishment : True or False," *Thairath*, 21st December 2001, pp.1,11.

³¹ Discussion with Ms. Chanida Puttapuan, 2nd January 2002.

is a kind of business. He also supported the idea of a public hearing.³² However, an NGO worker could not commit to a casino establishment or any kind of gambling, and was unsure of the impacts of a casino, particularly among some groups such as youth and lowly educated people.³³

As a means of moving forward on the matter, it was suggested that cooperation was required from representatives of all institutions - local associations and local government - to discuss a casino development in the region. This could not be done in one day and at least three to seven days would be needed to discuss and, finally, to find a resolution.³⁴ A member of the municipality suggested the solution to a casino's negative impacts was to get people used to a casino. He proposed a pilot project of a small casino establishment in the region and to prepare policies for the casino and an evaluation after 3-4 operational years.³⁵ The costs and benefits would be considered after this period to provide information for real casinos with well-conceived policies.

9.4 Feed Back Attitudes

After conducting the questionnaires for respondents during December 2001-January 2002 and all findings were statistically analysed, the attitudes of the respondents towards a casino establishment have been summarized above. The results of the findings were presented to the respondents and they were invited to confirm whether they still thought the same or whether some attitudes had changed. A *Presentation* was prepared for the Chiang Mai policy makers, as they formed the thesis's respondents in the annual municipal assembly on 18th September 2002. The paper was a summary of Chapters 8 and 9 which was prepared and translated into the Thai language. All members of the Chiang Mai Municipality and members of the provincial council received the paper one week before the assembly started. During the presentation, feed back on attitudes was discussed. Their attitudes were supported with their responses made in the questionnaires; that is, a casino is the tool for local economic development. They also believed that if local government had the authority to manage the casino such as the legislation process, taxation and other revenues, decentralization would be practical. However, the questions about the negative impacts from a casino which are usually social and cultural impacts were asked often. The Mayor of Chiang Mai Municipality thought

³² Discussion with a member of the provincial council, 12th January 2002.

³³ Discussion with an officer of NGOs network, 8th January 2002.

³⁴ Discussion with Dr.Thanet Charoenmaung, 18th January 2002.

³⁵ Discussion with a member of the municipality, 5th January 2002.

that if the problems caused by a casino had not happened yet, it was not an issue. He believed that a good policy for a casino could prevent all threats arising from establishing a casino. However, if there were problems caused by the casino, solutions could be found. One of the Municipal officers agreed with this, adding that if the local government had this chance, it would be the first step towards full local autonomy and it would be a good experience for every local project as well.

At the time of writing, it had not been concluded whether a casino would be established or why the Chiang Mai region could not have a casino even though many of the decision-makers agreed on the concept and believed a casino was the tool to fix the municipality's financial problems, and encourage greater local autonomy and public participation in local and regional problems. However, there are a few considerations such as the possibility of a casino in the region, policies for both casinos and people, how involved the central government would be in this project and how Chiang Mai's municipality and local associations would collaborate in development. These issues will be analysed in the next chapter.

9.5 Possibility of a Casino Establishment

Considering the economic impacts, the respondents were very positive in their support for a casino. In contrast, they did not support a casino operation in terms of its social and cultural impacts. Concurrently, on the political and public policy impacts, one third of the respondents supported them while a similar proportion did not want to and another one third was uncertain.

Support for a Casino

The comments from each region are definitely different. More respondents from Chiang Mai support a casino development on all three impacts than respondents from Chiang Rai who mainly do not want to support a casino on any terms. The different backgrounds of regional respondents were considered to explain this phenomenon. Respondents from each region are different in their age group, income, educational qualification and casino experience affecting their attitudes which have shown in Chapter 8. The Chiang Mai respondents are in the younger-age group with higher incomes and qualifications, including the number of those who had visited a casino. They have broader views of a casino on all terms.

The respondents from Chiang Rai focused their theme of development on traditional life and the city's image as a cultural centre. Respondents from Chiang Mai need something to solve the problems they face and they can see the casino as a financial solution.

The different regional respondents definitely have different ideas about a casino establishment. It is quite obvious that people from Chiang Rai are against the casino. It could be because of the difference in background of culture and location of the region as Chiang Rai is further from Bangkok than Chiang Mai and people from Chiang Mai can reach modern life more easily than people from Chiang Rai.

The relationship between the comments of casino support and each economic, social and political and public policy impacts statements is quite clear. The respondents who want to support a casino development agree with most of the issues of economic impacts. However, the respondents who do not want to support a casino operation agree with the negative statements such as the local government would face demanding expenses with the introduction of a casino, businesses in the casino area would face difficulties in attracting employees because they offer to pay less than the casino, and that having a casino damages the community morally, to name a few.

Opportunities and Threats

The opportunities and main benefits of having a casino involve issues of employment, tourist industry, taxation, business growth and reducing illegal gambling. The respondents mentioned the threat of crime, drugs and fraud and gambling addiction. Other disadvantages included refer to creating a worse regional image; anti-casino groups who may resist the casino supporters; with corruption of politicians and a higher cost of living in the region also mentioned.

The respondents from Chiang Mai were more likely to favour opportunities brought by a casino than respondents from Chiang Rai while the threats were mentioned more by Chiang Rai's respondents. However, with regard to some threats such as gambling addiction, crime, drugs and fraud and bad regional image, similar proportions of respondents from both regions were in agreement.

Even though there were more political conflicts and local financial problems in Chiang Mai than in Chiang Rai, the respondents from Chiang Mai did not consider the possible corruption in politics to be as serious an issue as the respondents from Chiang Rai. It is because people from Chiang Mai see the benefits of a casino more than the threats. Further,

they believe that the political problems could be prevented by well-formulated public policies and collaborative problem solving process between local government and local associations in the region.

Possible Solutions to a Casino's Disadvantages

To reduce the disadvantages of a casino in the region, possible solutions were mentioned by the respondents, including restricting laws and regulations by the local government to control people in the region, getting a contribution from the casino for community development, education and social welfare. However, many Chiang Rai respondents would rather not have any casino in the region while Chiang Mai respondents asked for the availability of full knowledge of a casino before its development. Both regional respondents suggested a public hearing for final decision. As it is such a new idea, few respondents are concerned about a pilot project for a casino to find out if there are problems and to consider suitable problem-solving for the casino project.

As to the benefits of a casino, respondents agreed that the well-prepared policies of a casino such as restriction of visitors, membership and investment, security system and location of a casino could increase the benefits of a casino to the region. However, public participation is also important to solve some problems which may occur as a result of any casino operation. Thus, a few respondents from Chiang Mai suggested having a working group which would draw from various occupations in the region to form a collaborative problem-solving group. It is interesting that not many respondents mentioned who should own a casino.³⁶ However, only two respondents from the different regions did consider that the casino should be operated and owned by local government to avoid any scandal or corruption of the public officers.

The informal discussions between the Chiang Mai decision makers and the author were about perceptions towards a casino development and local development concepts. The discussion sought to examine the idea of development of having a casino established in Chiang Mai as well as the way in which the proposal was considered by local government.

First, the topic of discussion was about the local problems. The municipality is the administrative office of a region which deals with all of the problems. The main Chiang Mai municipal problems are not different from those of other municipalities or other local

³⁶ The author did not mention about who should own or operate a casino in order to checking whether the respondents would have any idea about this.

governments as they all face insufficient income to perform their duties. Even though the municipal income does increase, it cannot reach the rapid growth of city and infrastructural development projects due to the population expansion and insufficient fiscal budget.

The only source of income for the Chiang Mai municipality is from central government. However, all taxes need to be collected and sent to the central government before being reallocated back to the region. This process does not consider local needs and the decision is made by the central government as tax distributor on the basis of household registrations. Because household registration represents only 50-60 per cent of the total population to be serviced, revenue collecting is not sufficient for the municipality to do its jobs.

The financial problem affects the local administration and the Chiang Mai municipality bodies were still subject to central government suspension and needed sufficient government subsidy to undertake their relevant missions. Meanwhile, dependence on the central government subsidy means the local government is under the central government's guidelines instead of local needs and initiations.

As a result, local administrative performance is not satisfactory to the public due to insufficient income and unsuitable policies and development projects. Local people have limited public participation in municipal matters and have low expectations of the municipal authority ability.

All the municipal administration can do is to work on each problem, improving the tax collection systems and ask the central government to make some decision for local government. However, the local government does not have authority to force, the decisions depend on the central government determination. Besides considering the collaborative problem solving by many local associations and public participation, some decision makers have introduced creative problem-solving to the locals. For example, they want to prove that the municipality has the potential to look after the region. Therefore, the Chiang Mai municipality needs its own revenue to not be so reliant on the income subsidy from the central government. Eventually, it is envisaged that the local government would have the autonomy to administer the municipality itself and many of the decision makers accept the idea that a casino establishment can be a new kind of local income.

According to those regional problems, the casino concept is quite accepted by the politicians, academics, businessmen and local association workers of Chiang Mai. They are

positive that a casino is more likely to solve some of Chiang Mai's local government problems than causing more problems which already happen in every big city.

While the local people are interested in a casino establishment to solve the local autonomy and financial situation, the Prime Minister and the Minister of Interior do not seem to agree with that. The Prime Minister has declared that the casino establishment is not an issue for the central or local government but for all the people in Thailand to decide. Therefore, the government needs to know the public opinion and a public hearing would have to be organised. The government has also commented that there are many more urgent duties to be considered than to pay attention to a casino establishment.³⁷

Therefore, the possibility of a casino establishment in Chiang Mai still seems some distance away. Establishment of a casino in any region requires the support of local decision-makers or people in the region as well as that of central government. As was mentioned in Chapters 5 and 6, the central government has vetoed many casino proposals. It is unclear if this is because the government is not interested in a casino or because it does not want to grant local government power of general competence or any authority to make decision. In case if the local government earned own revenues from a casino operation could give the local government more authority to make decision in its own budget and self-administration. Eventually, if the local government and a casino operation proceed, the central government could lose benefits from local tax collection and lose their centralised authority as the local government had no need to rely on the central government anymore.

A casino establishment is a case of local problem-solving where the local government institution has to deal with the external institution of the central government and that of internal institutions such as local associations, public interaction and some immediate problems. The possibility of a casino in Chiang Mai has not been concluded because the central government has not yet considered what the local government has been asking for. However, there are many other projects which have the same problems as that of a casino establishment. Thus, the local government should remind the central government about decentralisation and revise its own autonomy. Local government problem-solving, local institutions and democratic issues will be concluded in the next chapter.

³⁷ "Casino, is it urgent?," *Thairath*, 23rd January 2002, pp.1, 16

Part V Conclusion

Chapter 10

Summary and Conclusion

10.1 National Development Planning

The problems facing the Chiang Mai Municipality are common to Thai local government units based on territorial administrative units and on self-governing bodies. Local autonomy is limited by the high degree of centralisation of power, with the Ministry of Interior controlling the policy, personnel, and finances of the local units. Field officials from the Ministry as well as from other central ministries constitute the majority of administrators at local levels. In theory, the municipal authorities are self-governing, but in practice municipal government is an administrative arm of the central and provincial authorities. The Ministry of Interior has effective control over municipal affairs through the provincial administration, and has the authority to dissolve municipal assemblies and executive councils.¹

The dominance of central government over territorial administrative units and self-governing problems impedes local development throughout the funding model and the approval process. The limitation of local autonomy is in sharp contrast to proposals in national development plans. The Eighth National Economic and Social Development Plan, implemented during the period 1996-2000, revised the development concept from earlier plans, shifting from a growth orientation to a people-centered development and a grass-root development.² The Ninth Plan focused much more on local development by emphasising the importance of achieving domestic changes and it laid down a strong foundation for the acceleration of many reforms in political and social sectors. Reforms proposed in the Ninth Plan include administrative and fiscal decentralization to local authorities, public sector restructuring for greater management efficiency, and the establishment of new independent agencies to bolster monitoring and inspection mechanisms in the society. Recommendations

¹ The provincial authority has been outlined earlier in Chapter 4

² *The Eighth National Economic and Social Development Plan (1996-2000)*, p.59.

were also presented for changes to education and reform of the health system to provide quality service on an equitable basis. At the same time, the community has become highly motivated to increase its level of participation in democratic and development processes.³ These developments can be viewed as the creation of invaluable social capital, necessary to speed up the reform of structures, systems, and mechanisms for social development. It can also be used to ensure development transparency and equitable distribution of services to the people, and to provide enabling environments for the mobilization of collaborative action towards strengthening the community and society as a whole on a sustainable basis.⁴

In spite of these proposals, there remain structural problems arising from the highly centralized economic management, political, and bureaucratic systems. The local government sector remains weak, inefficient, unable to respond to changes in a flexible and timely manner, and unable to fully support economic development.⁵ This situation impedes development in the business sector, local infrastructure and public facilities. At the same time, local administrative organizations have limited capacities. Decentralisation of power to local community organizations and local communities is still at the initial stages in Chiang Mai and the results are still limited. Hence, the people generally have not been given sufficient opportunity to participate in the formulation of national development directions. The legal framework, rules and regulations need to be updated and/or overhauled to cope with the changing situation and to support development more efficiently.

The Ninth Plan emphasises that the role of local government has to be strengthened to enhance public service provision and democracy in the country. The major target in support of the role of the local government is to develop the local economy to strengthen local fiscal systems. Clear direction and provision of the resources to facilitate the Ninth Plan's intentions are needed under the decentralization process to devolve much of the public administration carried out by the central government and its higher agencies to local governments. The role of local government is regarded as a key element to ensure the new democratic system does take shape leading to more extensive and needed public services for people in the country. The devolution to local government of public services delivery is expected to be a more effective way to meet the basic needs of the people and lead to local political reform and social responsibility.

³ As outlined in Appendix C, the public may also oppose projects supported by central government.

⁴ *The Ninth National Economic and Social Development Plan (2002-2006)*, p.32.

⁵ As outlined in 9.3 above, the Duty Mayor of Chiang Mai Municipality noted that local government faces administrative frustration when it has to wait for the decision from the central government.

The Ninth Plan proposes that good governance development would continue in the same direction as the Eighth Plan, based on the philosophy of a sufficiency economy,⁶ the middle path, appropriate use of technology and know-how, and the cultivation of core social values, especially honesty and integrity. One target of the good governance element is to increase the capability and opportunities for local organizations to develop independent sources of income. In support of decentralisation systems are needed to ensure greater transparency and accountability in government so that local government has fiscal capability to finance their own local public services. Local governments have an increasing role under the changes proposed in the Ninth Plan in providing public services.

As outlined in Chapters 4 and 6, efforts have been made to increase the revenue resources flow to local governments through a number of central fiscal reforms, such as increasing the revenue instruments available to local government; increasing the proportions allocated to local governments in surcharged and shared taxes; and changes in the allocation formula for central government grant programs. These have already been implemented but have not been of much success.⁷ A number of fiscal responsibilities traditionally associated with the central government are being retained by central government instead of being decentralized to local governments. The local government is provided with only limited power to generate revenue from tax and non-tax sources, and other conventional local revenue sources. Local government in Thailand remains highly dependent on central government financial assistance due to the limited and narrow tax bases assigned to them and the limitations on their revenue generating capacity.

Hence, the strategy of finding new sources of income has been suggested by many groups in an effort to strengthen local authority revenues and to solve the local fiscal problems, leaving local governments better able to finance their social and development expenditures.

Casino development has been proposed for Chiang Mai as a new source of local government revenue. It is one approach to local development which has been used in many countries both for central and for local government.

⁶ See details in Chapter 2.

⁷ As outlined in *9.3 Problem Solving and Local Decision Making*, Chapter 9, the Mayor of Chiang Mai Municipality was concerned that the process of tax or fee collection had to improve, the proportion received had to increase, or a new kind of local tax had to be introduced.

10.2 Casino Establishment in Pursuit of Development

Casinos have become part of an economic solution in many countries. Even though there is not a casino in Thailand at the time of this research, there is evidence that attitudes toward a casino are gradually changing. In Chapter 6 the movement in public attitudes toward casino establishment between 1996 and 2002 was noted. It was also noted in the same Chapter that central government did derive a significant amount of revenue from the lotteries it ran, and also from the illegal gambling which is widespread. The illegal gambling does rely on the assistance of various officials to be able to continue. Although it did not refer to this illegal gambling, this is the sort of situation the Ninth Plan wants to see stopped.

As discussed in Chapter 5, going by the experience and the impacts of casinos overseas was positive in the area of economic development. Direct revenues come from taxation, license fees and other contributions while the indirect positive impacts are seen in greater employment, growth in the tourist industry and in general business growth. A casino is a politically painless way to increase revenues without creating compulsory new taxes or increasing existing ones. There are other impacts the government has to deal with, such as social welfare, security and higher maintenance costs for local infrastructure. Negative social impacts of casino operation mentioned in many countries include gambling addiction which may lead to drug dealing, crime, prostitution and fraud.

In terms of politics and public policy, the establishment of a casino is often associated with scandal involving politicians and related public officers. Public officers are seen to have opportunities to receive bribes while the casino profits may contribute funds to some political parties.

Even though gambling is associated with some social problems, casino establishment is still of interest. It is accepted that there already exists widespread illegal gambling which is difficult to control. Negative social impacts from the illegal gambling are already encountered. This is one of the reasons that central government should legislate against illegal gambling while approving legal gambling through registered casino operation and obtain needed revenue for economic and social development, and also solve the social and policy issues associated with gambling. This idea becomes gradually accepted by the public as the casino proposal is presented and argued through.

By the end of 2001, the latest attitudes towards a casino establishment were more focused on whether there should be a casino in Thailand. Those opposing such a development still outnumbered those who agreed. However, many people could see some benefit apart from

the new source of income, particularly in having a casino which could retain the money of Thai gamblers who usually spend it in casinos of neighbouring countries, and in encouraging tourists and creating new jobs.

At the beginning of 2002 this thesis surveyed attitudes towards a casino establishment with the local decision makers and opinion leaders from two regions, Chiang Mai and Chiang Rai, about their support for a casino and what they saw as the economic, social and political and public policy impacts from such a development. This research has shown that people saw the impacts of a casino though the economic development in terms of growth in the tourist industry, employment, taxation and the growth of businesses in the area.⁸

The respondents understood that establishment of a casino would be of benefit locally as local politicians would be in a position to allocate casino contributions for regional economic benefits without any intervening decisions of central government; that there would be legislation to deal with legal gambling; that the community would be largely rid of illegal gambling, and that there would be infrastructural development. At the same time, policy-makers would need to work hard to ensure policies resulted in improvements for casino operations and for local people. Negative political impacts could come with the risk of increasing greed, bribes, political corruption and scandals. The respondents from both regions displayed positive attitudes to a casino for the economic benefits it would bring. In contrast, their attitudes on the social and cultural impacts were discouraging of a casino operation. Concurrently, when considering the political and public policy impacts, only one third of the respondents supported the casino establishment.

As a way of dealing with many of the regional problems, the casino concept is accepted by some of the politicians, academics, businessmen and local association workers of Chiang Mai. Even though a casino is important to solve regional economy and political problems in the view of Chiang Mai's respondents, Chiang Rai's respondents were not keen on the casino establishment. They highlighted the negative impacts from a casino while the Chiang Mai respondents were positive that a casino was more likely to solve some of Chiang Mai's local government problems than cause more social problems which already happen in every big city.

The research for this thesis shows that the attitudes of the target group of respondents towards gambling issues are changing and are now not only much more accepting of a casino but are also aware of the positive benefits which would come with a casino. Unlike earlier

⁸ The results of this survey are presented in Chapters 8 and 9.

surveys taken in Thailand and reported in Chapter 6, the questions used in this research were designed to determine attitudes across three separate dimensions – economic, social and cultural, and political and policy. In Chapter 9, respondents from both regions offered suggestions about ways of reducing costs and increasing benefits, even though the respondents from Chiang Rai did not agree with the establishment of a casino. However, the respondents from Chiang Mai showed a greater openness to the possibility of a casino establishment, acknowledging that while a casino would cause problems, it would also create solutions.

Even though, the attitudes of people towards casino are important, there are still other factors associated with casino establishment in a region such as the approval and legislation, and preparing policy to deal with problems which may be caused by a casino establishment in the region.

10.3 Development in Chiang Mai

There are two key issues to consider in any development by the Chiang Mai Municipality towards establishment of a casino. One is about the attitudes of central government which has shown no interest in supporting a casino establishment. It is not clear to what extent the lack of central government interest or support is due to concerns over losing control over the revenue gained from existing gambling (legal and illegal), or whether it is more concerned about local government gaining greater independence from central government. On the other hand, the public attitude towards a casino establishment in Chiang Mai does explicitly accept the proposal, providing good reason to persuade central government to approve this proposal or to delegate responsibility to local government to approve one.

For Chiang Mai Municipality, to have the authority to approve a casino development, or be able to create ideas in order to develop a casino, changes in legislation would be required. In terms of the Ninth Plan this is about changes to the bureaucratic system of central government, decentralisation and good governance. At the municipal level, managing the casino and dealing with the social and cultural issues arising from a casino would need to be addressed so that as people are reassured that policies are in place to deliver solutions to the social issues, the casino will be accepted and will be readily established in Chiang Mai.

10.3.1 Legislation and Decentralisation Problems

Having local authorities making decisions, negotiating with other regional associations, and handling any issues that arise out of the establishment of something new and different in the city, such as a casino, instead of relying on central government to deal with these matters would be a radical departure from established practices in Thailand. Decentralisation in local government is both a strategy in itself, and also a means to a range of possible ends rather than a goal itself. The Ninth Plan's proposals on good governance include proceeding with decentralisation and assisting local government to be more independent in terms of its fiscal budgets and to work for greater local public service and participation.

The choice of solution is not between a centralized structure and a decentralized one. It is important to think in terms of the overall balance in responsibilities and authority between central government and local government unit-municipalities. The Ninth Plan's failure to set out clearly the respective roles of central and local power prevents a serious consideration of those issues that have remained with the centre. Local decision makers are very aware that they cannot make the decision to approve a casino, making them realise how limited their powers are. Therefore, the decentralization discussed in the Ninth Plan as part of good governance has not completely taken place. Actually, it is essential to recognize that certain sensitive issues such as a casino development are of such strategic policy concern that the central government would assume borough-wide responsibility for their resolution.

Certainly, central government has a key role in establishing legislation enabling the establishment of a casino. As has been shown in Chapter 8, the Chiang Mai Municipality is ready to establish a casino, and policy-makers are ready to manage the collaborative problem solving process and to formulate good strategies to address the problems associated with establishing a casino. Two issues for Chiang Mai Municipality to work out are, first, making sure the idea of a casino establishment gains local public acceptance. The Chiang Mai Municipality has to convince the public that it is the right time to have a casino in the region. The policy makers need to be ready and confident in responding to their local situation, and to show how revenue from a casino will assist in meeting local requirements and strengthen the local economy as the Ninth Plan is hoping to see.

The second issue is convincing central government to approve such a development. The local politicians have to ask for the legislation to approve a casino. The municipality will have to 1) prepare a full proposal for the development of a casino, setting out an analysis of the long-term benefits for the region such a development would bring, analysing the associated

problems and showing how they would be dealt with, 2) demonstrate the support of the local populations for the development, 3) build a coalition of support with other local institutions, particularly with local associations, and within each of the bureaucracies. To be approved the local municipality needs to show it has identified the problems and has well developed solutions. On the second point, the research presented in Chapters 8 and 9 show that Chiang Mai Municipality is ready to move to a full proposal for development of a casino. It is clear from the survey results that the social problems are on-going issues, whether or not there is a casino.

Before there can be any casino, central government has to endorse the good governance target in the Ninth Plan which has strongly recommended decentralisation of the allocation of resources and exercise of authority to local areas. The responses of the Minister of Interior, and also the Prime Minister, do not provide clear reasons why a well developed proposal for a casino development has not, and could not, be approved. As noted in Chapter 6, the Prime Minister has declared that the casino establishment is not an issue for the central or local government but for all the people in Thailand to decide.⁹ However, unless central government is able to approve such a local proposal for development, then the goals of good governance in the Ninth Plan will not be achieved. By the nature of Thai central government, it needs to be understood that, regardless of the interests of local politicians and policy makers, the Minister is the key person in every approval process. Without the Minister's support for such a project, it will not happen.

Persuading the Minister or his advisers of the merits of the casino establishment will require careful preparation and persistence. As part of the case to take to central government, the municipality needs to demonstrate their ability to manage a casino in the region.

10.3.2 Involving the Local Associations

Agreement of the many parties as to the problems associated with establishing a casino is gained through collaboration between local government and interest groups, formulation of well-prepared policies for the casino, and cooperation between local government and the private sector over building and running a casino. A number of 'one-off' issues would arise with a casino establishment.

⁹ The Prime Minister gave the same response when there was opposition to the Doi Suthep Cable Car proposal. See Appendix C.

The collaborative problem solving process leads to enhanced participation at the local level, a process strongly supported by the Ninth Plan. As shown with the case of Doi Suthep and the Cable Car proposal¹⁰ collaboration of the local government, local associations, interest groups and a range of interested parties was significant first in development of the project proposal and then in having it deferred. With the Doi Suthep example in mind the collaborative problem solving in the case of casino establishment was mentioned by the respondents to the questionnaire of this thesis.¹¹ Several Chiang Mai respondents pointed out that the casino proposal needed collaboration and cooperation from public and local associations. However, it is concluded that local collaborative problem-solving may appear to be informal and unstructured; it usually has an internal structure, whether this is consciously adopted.

Furthermore, local associations need to be concerned as they provide much benefit to local government which can help tackle problems facing a municipality. They have proved themselves as indispensable locally in helping with transforming education schemes, setting up new projects, channelling resources to minority groups, training and recreation. Especially, if there is a casino in the region, local associations would be invaluable in building a network for social services to treat or prevent gambling problems which may lead to crime, drug dealing and prostitution. It is to be noted that all co-ordinated projects between municipality and local associations would be developed from the bottom-up as a response to local problems. A local association may start, for example, with a souvenir fair in a casino, to show people how their concerns about the difficulties from a casino are readily dealt with. This can lead to the provision of training schemes and yet more activities.

Collaboration takes place as individuals and organizations come to recognize that they depend on one another. Diverse interests are presented but each recognises that there is much to achieve of benefit to all by working co-operatively with others.

It is understandable that Chiang Mai policy makers do have strong feelings for developing a casino. They are constantly faced with demands for services and also by spending restrictions and legislative changes that challenge their ability to engage in self-sufficient service delivery. They also understand very well that a number of issues, such as economic development, environmental protection and crime prevention, simply can not be

¹⁰ See details in Appendix C

¹¹ As presented in Chapter 9.

tackled by local government on its own. Meeting the challenges facing cities means bringing together a diverse range of interests in a collaborative problem solving effort.

The Chiang Mai policy makers are very aware of the important lessons of the Doi Suthep issue and the Industrial Estate in Lamphoon. Experiments, pilot projects and partial reforms run the risk of being marginalized within the established service delivery and political structures of the authority. Once the initial enthusiasm has gone it may be difficult to sustain the commitment to innovation and change. A well-designed policy and strategy can tackle some of these issues by ensuring that changes become established with the incentive structure and cultural framework of the municipality. The development strategy requires the preparation of people for the job market, the creation of new coordinating groups, and a process of external review and publicity which reinforces for those within the municipality, the values attached to the reform.

As was mentioned above, the case of a casino development in Chiang Mai needs the full participation from local associations. The collaborative problem solving for a casino issue in which local government and local associations are involved is not the outcome of some master plan or blue print. Collaboration can develop on an *ad hoc* basis as people work with each other and with officials to make things happen. Thinking about enhancing benefits and reducing risks of the casino will bring local government decision makers together into contact with interest groups and community-based associations. Other collaboration will evolve, perhaps at the behest of the local authority, to organize a campaign or to achieve some stated goal. Such collaboration will flow from particular initiatives rather than from some grand design.

Furthermore, the goal of a casino development is mainly about providing fun and entertainment. However, it is recognised that for some people gambling can cause social problems. Chiang Mai municipality needs to prove to central government and other regions that the municipality has an effective gambling management programme which is aimed at helping to prevent such outcomes. The reality is that in Thailand such a programme does not exist. Before establishing a casino, a policy for a host responsibility programme which includes problem gambling management would need to be set up. The host responsibility needs to establish relationships with a range of local organizations, treatment providers, police and social welfare organizations as well as municipal councillors. The main activity of this responsibility is to provide detailed information about where people can seek help.

For the local municipality, a casino is a core component of the new source of local income, it has to be aware the industry has the potential to contribute to negative social impacts where problem gambling is concerned. The introduction of some policy of responsible gambling will encourage the industry as a whole to improve its efforts in this area, as well as providing the casino investor with the ability to exclude customers with gambling problems. In line with the commitment between local government and the casino to contribute responsibly as a corporate citizen, both parts are serious in the effort to address and minimize any social risks and maximize all economic opportunities.

Even though the local government will try to prove the viability, readiness and ability to solve all problems, central government has commented that there are many more urgent duties to be considered than to pay attention to a casino establishment. This is understandable for central government, so the emphasis of the Chiang Mai municipality proposal is that Chiang Mai be given the authority to legislate any new projects such as a casino in the region, and that this authority be confined to the region. A local bill to which gives authority to the region to legislate for a range of local projects, including, for example, developing infrastructure in the region for investment and development proposals in education, health, tourism, agriculture and economic development, including a casino, would be in accordance with the Ninth Plan's thinking. A key part of this is the issue of granting a power of general competence. Therefore, placing a casino somewhere is not the main problem of a casino establishment in Thailand: the authority of local government to legislate for, and regulate a casino in the region is the main issue. Whether the central government is interested in the casino proposal or does not want the local government to have authority to approve any new projects itself is related to the one issue that the local government cannot meet their needs to make decisions for their local or even manage their own power under the present legislation and practice. This is one of the key matters raised in the Ninth Plan. Granting the power of general competence to empower local government would fulfil many of the intentions of the ideas expressed in the Ninth Plan.

10.4 Meeting the Needs of Local Government: Power of General Competence

Local government in Thailand was established in response to the local and democratic needs. The good governance strategy proposed in the Ninth Plan is to promote the

decentralisation process by allowing local government¹² to play a greater role in local development in accordance with the intent of the Constitution of the Kingdom of Thailand B.E. 2540 (1997).¹³

Nonetheless, some of the key proposals of the Ninth Plan will remain words on paper only if Chiang Mai Municipality does not gain the authority to approve its local development projects, including, for example, a casino. Also, the good governance strategy in the Ninth Plan has never been used in the real political situation as long as the central government continues to operate with the centralisation of all major functions of local government. Even if it can be agreed in general that decentralisation in public administration involves making decisions outside Bangkok, the machinery for decision-making in local areas must be re-examined. To a large extent, the problems of local government are the problems of decentralisation and many of them are associated with the present organisational structure and system of government. Decentralisation within central government departments in Thailand is not primarily a question of organisation. Most departments already have networks of branch offices which permit widespread decentralisation and delegation. The principal issues requiring examination are those associated with the willingness of head offices to delegate worthwhile powers to branches and the willingness and ability of branch executives to exercise the powers which are/or might in the future be, given to them.

In terms of the area and administration of Thailand, as outlined in Chapters 4, 5 and 6, all major decisions about government policy are made by the Cabinet in Bangkok and, where necessary, given formal validity by Parliament or the Provincial Governor. These decisions then need to be implemented through detailed rules and procedures and given meaning by the actions of administrative agencies. Most of the implementation has to be at the local level. Almost every government activity involves dealings with individual citizens or groups of citizens. Consequently, a large part of the administrative apparatus is dispersed throughout the country so that it is close to the people whom it is designed to control and serve. The local provision of government service covers many points, including the kind of agency to be used to perform each of the different tasks of government, the administrative areas each is to cover, and how the work of each of the administrative units is to be co-ordinated into a meaningful, consistent, and reasonably comprehensive whole. For example, an alteration of administrative

¹² Local administration refers to all local government units such as municipality, sanitary district and provincial administration organisation. See detail of these in Chapter 4.

¹³ *The Ninth National Economic and Social Development Plan (2002-2006)*, p.28.

areas, particularly of the local government area, is likely to result in a reciprocal adjustment of decentralized functions.

If existing arrangements were to be ignored it would be logical to examine the work of government and decide which tasks are best performed by central agencies and which should be decentralized to local bodies. If a task was to be undertaken by central government, should it be entrusted to a single department or agency of government or to co-ordinated through more than one? And if it was to be given to local government, should it be given to a general-purpose local body such as a provincial council or municipality, or to a special purpose authority such as Pattaya city? When these issues have been determined one must next fix the boundaries of any other types of administrative areas into which the country is to be divided. The most desirable administrative divisions will vary from one agency to another, thus creating the need for coordination among agencies. Furthermore, special steps will be necessary to ensure that the citizens, with whom all these organizations deal, do not receive inconsistent or incomplete instruction or advice. This involves both the local and central coordination of administrative practices.

In reality, however, local government is faced with an existing distribution of government work and this cannot be ignored. The most that can be done by both local and central government is to examine the appropriateness of established practices, and if necessary, to make marginal adjustments to an administrative machine that has become an accepted part of the national way of life. As a result, for some time now, local government in Thailand has asked that central government grant it a power of general competence.¹⁴ Chiang Mai Municipality has complained of lacking power to make decision in its own public services such as the drainage system and refuse management.¹⁵ At present, the central government has been asked informally by local and central mass communication for a casino approval which will give Chiang Mai Municipality the authority to operate a casino in the region. The concern is to empower local government to take on a more significant role in the governance with the approval and support of central government.

¹⁴ A Member of the Chiang Mai Municipality has asked for a power of general competence. The Municipality is controlled by the Ministry of Interior and cannot even approve regional developments.

¹⁵ These topics have mentioned by the respondents in Chapter 9.

Granting a power of general competence allows a local authority to determine the appropriate mix of policies which best suits their community and its strategies for economic and social development. For democratic theory, the power of general competence promotes decentralization and devolution as a means of increasing public participation and enhancing the capacity and responsibility of local authorities. A number of the local politicians want to use a casino as a means of achieving greater devolution. As outlined in Chapter 8, respondents were generally agreed over the economic benefits of a casino. They believe local government has lacked authority because the municipality does not have the budget needed for the region, which forces local government to follow what central government approves. Gaining much greater financial independence from central government would mean the Chiang Mai Municipality would not need the financial assistance of central government, and they would not have to wait for the central government budget and set projects anymore.

Thus, it is concluded that the current powers in the Municipal Act 1953¹⁶ are too prescriptive and inflexible and do not allow the Chiang Mai Municipality, or other local government units, to legislate any projects or proposals without approval by central government. The appropriate mechanisms to be used to ensure local authorities were held accountable in the exercise of a power of general competence would need to be determined. Finally, the relationship between central and local government should be related to each other in a situation where both have broad discretionary powers to engage in similar functions and activities on behalf of local communities.

10.5 Alternative Strategies for Local Government

Many issues of economic and social development were raised in the Ninth Plan. Some have been proposed for debate and discussion as to whether the Plan would bring a change in thinking about the value and attitudes on the responsibilities and powers of local government. The framework of the Plan is aimed at assisting people and local government to recognise needs which they would be able to co-ordinate, support and operate in pursuit of development. In considering the Ninth Plan's proposals in the case of Chiang Mai, this research has shown that the Chiang Mai opinion leaders and decision makers have recognised their local government needs in calling for the ability to make decision for self-government and development. The case study demonstrated that people in Chiang Mai are ready to co-ordinate, co-operate and solve problems to achieve their development needs. This includes their

¹⁶ See the detail in Chapter 3, p.22

proposal to establish a casino in the region. However, the local government does not have authority to make such a decision for its own development proposals and, at the same time, the central government does not seem to support the needs of local government, nor does the central government appear to realise the key proposal of the Ninth Plan that “the role of central government has to be adjusted to enhance the co-ordination and support development activities at the local level”.¹⁷

The Ninth Plan can be successful only if the central government understands and implements its proposals on decentralisation, and take steps to support local government in its new role. The Ninth Plan also links these changes to the overall economic and social development of Thailand.

To translate the National Plan into action, improving local institutions, such as a municipality, by reorganising local government is necessary. This reorganization will need to be radical to build a structure of government at local community level capable of learning, adapting and changing. This objective requires strong local authorities, with functions and concerns going beyond present activities. On the other hand, this option may be preferable to broader discretion as local authorities would have a clearer definition of their functions and less adjustment would be required. Another alternative is to grant a broader power of general competence over specified functions in areas such as welfare and new projects for community development but more prescriptive powers with regard to functions of a regulatory nature.

Finally, such reorganisation will have to provide for the continual development of decentralisation and the development of law with the follow requirements:

- (a) the delineation of powers and duties between the state and local organizations in the provision and management of public services;
- (b) the allocation of taxes and duties between the central and local administrative association;
- (c) the creation of a new group of committees such as the national decentralization committee, to carry out tasks (a) and (b) consisting of equal numbers of representatives of state agencies, representatives of local organizations, and other experts on decentralization.

Their responsibilities would include:

- defining the relationships and functional responsibilities between the central and local governments, as well as among local governments, including the allocation of functions, subsidies, and central budget,

¹⁷ *The Ninth National Economic and Social Development Plan (2002-2006)*, p.106.

- defining local revenues sources and identifying means to improve local tax and revenue mobilization,
- outlining the stages and means to transfer functions from the central government to local governments,
- recommending means to coordinate the transfer of public officials from the central agencies, to new assignments of functions and resources,
- proposing criteria for allocating resources among different levels of government including subsidies and central budget,
- proposing legislation, decrees, regulations, administrative guidelines and rules to implement the decentralization plan in a timely manner,
- proposing a system to achieve transparency and public participation at the local level in terms of government functions,
- monitoring progress in implementing the decentralization plan.

As a result, local government units such as a municipality will be given adequate authority and source of finance, including a local income tax to enhance local accountability.

In the case of Chiang Mai, there is a long way to go before there will be implementation of the Ninth Plan. The Chiang Mai Municipality does not have the authority proposed under the Ninth Plan's vision and strategies. There is no casino currently being developed in Chiang Mai or anywhere else because it has never been approved by the Minister who has stated he has no interest in it. If the Minister cannot be persuaded to approve a casino establishment, then the local government should have the own authority to approve a casino. Then, to prepare a local government for a power of general competence and to be ready for decentralised administration which has more authority to make local decisions for its own project, alternative strategies of local government are generated from the case of the Chiang Mai municipality as a model. The ideal role for Chiang Mai Municipality as a basic unit of local community, capable of meeting emerging issues, is challenging. The impediments for developing a casino as a new source of revenue for local governments are numerous and to build up sound policy for local governments before any actual casino operation was begun, a number of reforms derived from this study are indicated.

1. Changes should be made to the present funding model system. In cities such as Chiang Mai, the actual population is much higher than the household registration, as mentioned in Chapter 9. The difference has a major effect on the tax reallocation and budget Chiang Mai gets from central government. The Municipality has to work with the actual population who live in the city at that time, not the number in household registration. Moreover, the local authorities should ensure they are businesslike in their own revenue collection of local taxes and gambling taxes. It is prerequisite for true fiscal decentralization and local creditworthiness. With greater local revenue collection it shows the potential of local capability for repayment of revenues and expenses.
2. Reforms in the local accounting system, auditing, and disclosure of local financial conditions are indicated. Central government can help by establishing a clear, comprehensive accounting system across the local government entities. The results of the reforms can be available to the general public on a regular basis.
3. The local government should prepare strategic planning that leads to several years budgeting to provide details of the capital and infrastructure investment needed in the future. This plan would indicate how the investment would be paid for.
4. On the central government side, there is a need to have a positive environment for local government in establishing stable and consistent revenue flows by introducing a stabilizing system of intergovernmental transfers of revenue, including grants to local government.
5. The central government should give clear policy indications of the types of investment it will finance or co-finance through the transfer payment system. A clear policy statement helps to identify the limitation of obligation that central government has in financing the local project investment and revealing the true credit needs of local government.
6. There is need to broaden the legal framework for credit market development to allow local governments to have easier access to the credit market. The legal framework needs to cover subjects such as the types of collateral that local government can provide for loans and how to assess the collateral, the legal procedures in case of local insolvency.

Finally, to support the ideas of decentralisation and collaboration which are contained in the National Development Plans, local government requires new modes of service delivery and new relationships with the public, local associations and interest groups. These new patterns

will change relationships with people so that they are encouraged to become more involved and open to participating in the development projects of the area.

Furthermore, local government needs to adjust their roles to be sophisticated enough for self-administration. Therefore, the local government requires some adaptation. Three directions of change are recommended.

A) More than a Service Provider

A local government, its staff and its members, will look beyond the particular services provided to the wider role of the local unit in the community. This perspective requires from local authorities an organization that is constituted for more than the provision of services. It reviews the issues and problems facing its local community. It will need staff sensitive to their local communities, capable of recognizing changing situations and of seizing opportunities.

In the provision of services, the local government unit will be prepared to innovate. It has to consider the issues raised by contracting out and the privatization of local government services other than the traditional direct provision of the services by local government itself. A local government can discharge a particular function by use of a private contractor, but also by use of a public contractor, by workers or consumer co-operatives, by voluntary bodies or community groups. The breakthrough in perception needed is in the recognition that services do not necessarily need to be provided directly by local government itself. But local government does need to ensure the services are provided and can set objectives and targets for others to achieve in their provision of a service.

The local government institutions need to build up staff whose careers and experience go beyond local authorities and may encompass central government, the private sector or other agencies of government.

B) New Patterns of Decentralisation

As the good governance proposal in the Ninth Plan recommended, the local government is itself an expression of decentralisation, therefore within itself it can give expression to new patterns of decentralisation. Within the local government unit, there can be diversity that comes from an organization committed to responsiveness to the variety of needs and values within areas.

The local government units, such as the municipality, can introduce forms of area management which recognize the need to bring together services for particular localities within

its boundaries. The municipality can decentralise the management of schools, houses and tax collection or even a casino approval, allowing a much wider variety of approaches and involving all the relevant parties. Any municipality can stimulate religious groups and neighbourhood municipalities, not as another layer of government, but as a representative of sub-basic units and to act as their spokesmen

C) Local Government and the Public

Local policy will begin with a full recognition and analysis of networks. For example, establishing a casino to promote an economic solution will have effects socially and politically which will need collaborative problem solving. Local government will gain force as the basic unit of local community government as it develops new patterns of relationship with the public. The municipality can initiate a 'state of local community' reviews, in which all who live and work within the area of the authority are encouraged to state their concerns not merely about the activities of the local government but of other public authorities too, and of the private sector. Public forums will be a part of the meeting of each municipality, committee and, in particular, of area committees. New forms of social monitoring and polling can identify problems and issues of public concern.

The key point is not to pre-determine the organization or the working of the new municipality but to recognize that new patterns will be required to realize the opportunities created. The primacy of representative democracy will be maintained and supplemented by the provision of channels to enable the views of the public to be more directly considered by the elected members.

As discussed in Chapter 2 and above, the Ninth Plan has practical strategies which focus on people and local development. It is also about collaboration and good governance which enhance democracy and public participation. In seeking to turn plans and proposals into action it is recognised that adjusting administrative structures, attitudes and values will not occur overnight which greatly hinders the translation of the Ninth Plan's implementation.

This case study of local government in Northern Thailand and its interest in establishing a casino demonstrates the kind of developments proposed by the Ninth Plan. It would only ever take place as the Municipality and the people of the region work together and collaborate in such a development and solving the problems which arise. Such a proposal is entirely in the spirit of the Ninth Plan but can only happen if central government carries out the

reforms set out in the Ninth Plan. If central government is not wishing to fully implement all of the Ninth Plan's proposals then it could consider making some moves towards the Ninth Plan's proposals by granting the Chiang Mai Municipality greater responsibility for decisions about the economic and social development of the region. This study has shown that the Chiang Mai Municipality is ready to establish a casino as a means of boosting the local revenue base, which the Municipality is then able to use to provide the range of services needed. This study also argues that granting Chiang Mai Municipality with a power of general competence would be a strong step toward implementing the intentions of the Ninth Plan.

10.6 Recommendation for Future Study

At the time of the final stages of this study, the Ninth Plan had been implemented for over 4 years. As outlined in Chapter 2, regional development proposals in the Plan give emphasis to the elements of participation and decentralisation, and on the importance of central government accepting that the local capacity was more than it was in the previous 4 years. However, the issue of decentralisation is always challenging for both central and local government. If the writer were start this study again there would be several differences in the way to approached it. Not all of these different approaches could be completed in one thesis, but one approach would be to follow the case study of Chiang Mai and examine how it responded to the new approach across the whole range of developments, including those outlined in the Ninth Plan.

The Ninth Plan is very important in itself because this is one of the ways governments in Thailand have tried to make sure the country was developing. As I have discussed in my thesis, the Ninth Plan came from the political ferment of the 1990s which resulted in the 1997 Constitution Act and this thesis had examined how helpful the Ninth Plan has been in the areas affecting local government. The case study has been about the possibility of establishing a casino in Chiang Mai. According to the Ninth Plan it should be possible for a local government municipality to develop proposals for their local economic development. But it is still not possible because central government agencies will not agree to devolve decisions about establishing casinos.

However, this thesis has been conducted in Chiang Mai which is a specific region for the context of this thesis as detailed in Chapter 7. The findings cannot be applied to the others, however, it would be more benefit to do further study in kind of groundbreaking research in Chiang Mai which the writer would do in future research.

A different approach would look at the other efforts within Chiang Mai to work with central government agencies to develop and implement their regional development strategy. One aspect would be to see how Chiang Mai handles and manages its larger budget. There would be more physical infrastructure to provide which will bring in more investors, but only in the short term. The long term development of the local human capital will be important to the future of Chiang Mai which needs its local businesses and local professionals and services.

Tourism is one of Chiang Mai's key industries and this needs to be developed greatly. As outlining in this thesis, the idea of the casino is closely tied to encouraging tourism in Chiang Mai. Better tourist industry policy and education should be accompanied by support for the involvement of local people in business activities, or the development of entrepreneurship. This study would show how well Chiang Mai responded to the Ninth Plan and what problems there were.

Another, different, approach would be to study a number of local municipalities to see how they were responding to the Ninth Plan's proposals. This would involve visiting a number of them, especially those which are further away from the Bangkok metropolitan area, and studying their plans for development and the difficulties they were finding in working with central government agencies in developing their regional plans. This study would give a different test on how well the Ninth Plan was being implemented.

A third and different approach would be to undertake a survey of the opinions of a much wider range of people on their attitudes to the establishment of a casino. As this study shows, there has not been any in-depth opinion survey taken of the general public, only very general and superficial surveys. A wide sample across many people and across many areas would establish what current opinion is and how it supports the thinking of local government policy makers. This study would show both central and local government authorities how public opinion has or has not changed and would provide the basis for informed policy making.

Appendix A

Maps and Country Profile



Map 1: Thailand and South East Asia Countries



Map 2: Provinces in Thailand

Historical Background

There are conflicting opinions as to the origins of the Thais. Three decades ago it could be said with presumed certainty that the Thais originated in north-western Szechuan in China about 4,500 years ago and later migrated down to their present homeland. However, this theory has been altered by the discovery of remarkable prehistoric artefacts in the village of Ban Chiang in the Nong Han District of Udon Thani Province in the Northeast. These include evidence of bronze metallurgy going back 3,500 years, as well as other indications of a far more sophisticated culture than any previously suspected by archaeologists. It now appears that the Thais might have originated here in Thailand and later scattered to various parts of Asia, including some parts of China.

‘Siam’ is the name by which the country was known to the world until 1939 and again between 1945 and 1949. On May 11, 1949, an official proclamation changed the name of the country to ‘Prathet Thai’, or ‘Thailand’, by which it has since been known. The word ‘Thai’ means ‘free’, and therefore ‘Thailand’ means ‘Land of the Free’.

Geography

The Kingdom of Thailand, covering an area of 514,000 square kilometres, lies in the heart of Southeast Asia, roughly equidistant between India and China. It shares borders with Myanmar to the west and north, Lao P.D.R. to the north and northeast, Cambodia to the east and Malaysia to the south.

Topography

Thailand is divided into four distinct areas: the mountainous North, the fertile Central Plains, the semi-arid plateau of the Northeast, and the peninsula south, distinguished by its many beautiful tropical beaches and offshore islands.

Climate

Thailand lies within the humid tropics and remains hot throughout the year. Average temperatures are about 29°C, ranging in Bangkok from 35°C in April to 17°C in December. There are three seasons: the cool season (November to February), the hot season (April to May), and the rainy season (June to October), though downpours rarely last more than a couple of hours.

Population

Thailand has a population of about 60 million. Ethnic Thais form the majority, though the area has historically been a migratory crossroads, and thus strains of Mon, Khmer, Burmese, Lao, Malay, Indian and most strongly, Chinese stock produce a degree of ethnic diversity. Integration is such, however, that culturally and socially there is enormous unity.

Religion

Thailand is one of the most strongly Buddhist countries in the world. The national religion is Theravada Buddhism, a branch of Hinayana Buddhism, practiced by more than 90 % of all Thais. The remainder of the population adheres to Islam, Christianity, Hinduism and other faiths – all of which are allowed full freedom of expression. Buddhism continues to cast strong influence on daily life. Senior monks are highly revered. Thus, in towns and villages, the temple (wat) is the heart of social and religious life. Meditation, one of the most popular aspects of Buddhism, is practiced regularly by numerous Thai as a means of promoting inner peace and happiness. Visitors, too, can learn the fundamentals of this practice at several centres in Bangkok and elsewhere in the country.

Language

The official national language, spoken by almost 100 percent of the population, is Thai. It is a tonal language, uninflected, and predominantly monosyllabic. Most polysyllabic words in the vocabulary have been borrowed, mainly from Khmer, Pali or Sanskrit. Dialects are spoken in rural areas. Other languages are Chinese and Malay. English, a mandatory subject in public schools, is widely spoken and understood, particularly in Bangkok and other major cities.

Government

Thailand is governed by a constitutional monarchy with a parliamentary form of government. The Bangkok Metropolitan Administration is administered by an elected governor and is divided into 38 districts. The country is divided into 76 provinces, each administered by an appointed governor, which are sub-divided into districts, sub-districts, tambons (groups of villages), and villages.

Appendix B

Content of the 1997 Constitution

The Constitution Drafting Assembly's drafting committee analyzed problems of the old system and identified three areas for urgent reform. The first concern was to turn representative democracy into participatory democracy. The second was to foster government stability and efficiency. The third was to make government and parliament more transparent and accountable. The new constitution addresses each of these areas in several ways.

Participation

Making Thai democracy more participatory was seen as a means of making governments more accountable, and of reducing corruption. To encourage public participation in political life the constitution includes, among the wide range of rights and freedoms common to liberal western polities, several stipulations aimed at empowering the general public in political processes.

People are guaranteed the right to demand state information concerning state activities that would affect them. People have the right to participate in natural resource management, and preservation of community culture and local wisdom. People can initiate bills by means of 50,000-voter petition. The petition mechanism can also be used to launch impeachment proceedings against politicians and senior state officials. Members of the public can suggest by-laws and initiate recall of local authorities. The state must conduct public hearings on projects that could affect the environment or livelihoods of communities. Also, the constitution establishes mandatory voting. Eligible voters who fail without good reason to cast their votes in elections lose a variety of political rights, such as the right to sign petitions, until they make restitution by voting in the next election.

The common thread of all these features is to increase citizens' incentive to participate in political life and to increase the efficacy of such participation.

Stability and Efficiency

Fostering, government stability and efficiency was seen as important because Thailand had already seen many short-lived elected governments founder indecisively and eventually fail due to in-fighting.

To increase efficiency, the Senate was changed from an appointed body to be an elected, non-political body. Senators are elected with provinces serving as constituencies, and each province electing a number of senators based on the population of that province, with 200 Senate seats in total. Candidates to the senate are not permitted to have ties to political parties in order to ensure the non-partisan character of the chamber. The senate has several important roles that rely on its non-partisanship; it selects members of the nation's watchdog organizations (to be discussed shortly), and it decides on impeachment proceedings.

To increase political stability other drastic changes were made to the political structure. The House of Representatives was re-designed, doing away with multi-member constituencies and replacing them with single-member constituencies filled on a first-past-the-post basis. In addition, party list seats were introduced, numbering 100 out of the 500-seat house. These party list seats are allocated on the basis of proportional representation in a nationwide vote conducted in parallel with the general election to fill constituency seats. The aim of these changes was to strengthen the leadership role of the prime minister by creating conditions where he was less likely to have to rely on the support of a large coalition as was the case in the past. In this regard the changes appear to have been successful; in the January 2001 general election Thai Rak Thai Party won an absolute majority in the House, the first such occurrence since 1932.

Executive and legislative functions are separated under the new constitution. An MP who becomes a minister must resign his seat in the House. This is coupled with the stipulation that a party's vacant party list seats are filled by the next person on the party list, whereas vacant constituency seats are filled by means of by-elections. Thus, parties are encouraged to put their high-calibre cabinet contenders on the party list, which makes their fate a national question rather than a local constituency-level one.

Another measure introduced to increase political stability was the constructive motion of no confidence. Under the new system, when the opposition initiates a no confidence motion against the prime minister it must also nominate a replacement prime minister. Should the no

confidence motion be successful, the person nominated automatically becomes prime minister, removing the possibility of having the country left leaderless during a leadership battle.

Furthermore, the constitution insists on a higher barrier for the initiation of no confidence against the prime minister than against other ministers — two-fifths of the House must support a motion of no confidence against the prime minister for it to proceed, whereas against other ministers the support needed is only one-fifth of the House. This measure reduces the chance of frivolous no confidence motions.

Yet another stability measure is the placement of party membership requirements on MPs — every candidate to the House must be a member of a political party and must have held membership for at least 90 days preceding registration of his candidacy. This measure has a twofold aim — to ensure that MPs are aligned to parties and, more importantly, to prevent MPs from power brokering by ‘party-hopping’ immediately before an election. A similar, further, measure is that should a sitting MP cease to be a member of his party he has a fairly short time, varying on the conditions of membership loss, to become a member of another party or else lose his seat in the House. Again, this is to prevent power brokering by non-aligned MPs.

Legislative arbitration is another measure introduced to increase political stability. In the case where the government is defeated in the House on a vote for a policy bill specified in its policy declaration to both houses and is supported by less than one-half the members of the House, the government is no longer compelled to resign as was previously the convention. Instead, the government can ask for a decision of a joint sitting of both houses. The mechanism is intended to prevent political bargaining by coalition MPs who have been denied cabinet posts.

Transparency and Accountability

The 1997 constitution is sometimes called ‘the anti-corruption constitution’ because it provides many measures for increasing the transparency and accountability of government operations as well as fighting corruption and malfeasance. A significant part of this effort was the creation of independent constitutional agencies to oversee various areas of public life and to serve a “watchdog” function vis-a-vis the state’s exercise of power.

Starting with the election system, many measures were introduced to combat the practice of vote buying. First among these was the establishment of the Election Commission (EC). The EC oversees and organizes elections with an aim of ensuring that elections are free

and fair. The EC validates candidacies and has the power to invalidate election results should evidence of wrongdoing be found. Through the several rounds of Senate and House elections between 2000 and 2002 the EC has exercised its powers vigorously; invalidating election results and even refusing suspect candidates the right to run in by-elections in cases where evidence of wrongdoing was sufficient.

Other electoral measures to fight vote buying include the previously-mentioned compulsory voting, the institution of absentee voting rights, and the extension of franchise to Thai citizens residing in foreign countries. Here the idea is to enlarge the voter base so as to make vote buying prohibitively expensive.

The EC also regulates private financial support and state support in the form of money and other assistance to political parties. It does this to help ensure that the political parties' finances and sources of funding are transparent so as to reveal their sources of support and discourage back-room power brokering.

To deal with situations where elected officials or other political or senior state office holders are suspected of wrongdoing, the constitution instituted the creation of the National Counter Corruption Commission (NCCC). The NCCC has a major role in policing the behaviour of political and state office holders. One of its important functions is to evaluate the mandatory asset and liability declarations that cabinet members must file upon assuming office, upon leaving office, and one year after leaving office. Should the NCCC conclude that a cabinet member has concealed or falsified information, it can seek to bar him from political office for a period of five years. This power has been exercised several times already against some very senior office holders.

The NCCC also plays an important role in impeachment proceedings against cabinet members, MPs, senators and senior members of certain other independent organizations. Its role here, however, is one of support for the main actor in the proceedings — the Senate. Once the Senate sends the NCCC a request to investigate suspected corruption or malfeasance, the NCCC investigates and sends a report to the Senate indicating whether the allegations are justified. Based on the NCCC's judgement, the Senate may proceed to vote to remove the office-holder in question from office.

Complementing the NCCC is another new organization, the Supreme Court Criminal Division for Holders of Political Office. This agency is to pursue criminal cases against political office-holders accused of corruption or malfeasance. It provides a channel for criminal sanctions to go along with the NCCC's political sanctions.

Another actor in guaranteeing transparency and accountability is the Constitutional Court which decides on the constitutionality of any acts of parliament in force or on bills passed by parliament. Should an act or bill be deemed unconstitutional it is struck down. The Constitutional Court has also been called on to decide on the constitutionality of actions taken by state actors. In addition, the Constitutional Court plays a role in the NCCC's asset and liability evaluation process by serving as the final decision-maker in cases where the NCCC rules that an office-holder has withheld information or submitted false information when making an asset and liability declaration.

Another important institution is the Administrative Court. This court rules on the legality of administrative acts undertaken by the state in the case where there is a dispute between state organizations or between a state organization and a private individual. For example, if someone feels that he has been wrongfully discriminated against by a state agency, he can take the case to the Administrative Court. Anyone, including private individuals, can bring cases to the court making it an important avenue for the general public to police the actions of the state.

The Ombudsmen also oversee administrative problems. Ombudsmen consider cases where state organizations are accused of failing to comply with the law, exercising powers beyond their authority, or failing to perform their duties. The ombudsmen then can forward their recommendations to the Constitutional Court or the Administrative Court for final decision without delay.

Under the constitution a National Human Rights Commission (NHRC) was established to safeguard human rights. The NHRC examines allegations of human rights violations and reports its findings to the National Assembly. It is supposed to help ensure that the rights entrenched in the constitution are observed.

The State Audit Commission under the leadership of an independent and impartial auditor-general is also important in examining state expenditures for evidence of misappropriation of state funds.

The Senate is also a vital part of the transparency and accountability mechanisms. As previously mentioned, it has an important role in impeachment. It also selects the members of the independent constitutional 'watchdog' organizations from among candidate lists submitted after various nomination processes. In this regard, it is important in ensuring that the watchdogs are indeed trustworthy.

Appendix C

The Doi Suthep and the Cable Car

In 1995, a Bangkok-based private consultancy firm revived earlier plans to build a cable car system on Doi Suthep, connecting the city of Chiang Mai with a famous temple on the mountaintop where a much-revered relic of the Buddha is preserved. Such plans had already surfaced in the early 1980s, but had had to be shelved because of the determined opposition of the local Buddhist fellowship. A few years later, the plan was reconsidered by investors, but again it was dropped, this time because it was not held to be economically viable. In the early 1980s, the Tourist Authority of Thailand conducted surveys in Chiang Mai for preparing a provincial Tourism Master Plan. The plan for a cable car system was reactivated and a new project proposal prepared. The investors skilfully promoted the project by emphasising its direct and indirect economic effects which would benefit the entire province. As an allegedly income-generating project, the company's plans blended perfectly with the economic policies of the Thai government which pursued a basically growth-oriented development model. As a major tourist attraction it was argued that the project would give a big boost to Chiang Mai's tourism, create new jobs and generate traditional income in the city from the increase in tourist revenue. Moreover, the investors maintained that the 16 km road leading up to the monastery was congested and parking facilities on top of the mountain inadequate. The project would considerably reduce motorised traffic and thus contribute to the conservation of Doi Suthep.¹

The proposal was backed by the Tourism Authority of Thailand which had made it part of its five-year Tourism Master Plan for Chiang Mai province. As the company had good connections, most other government agencies such as the Royal Forestry Department, the National Environment Board, the Minister of the Prime Minister's office responsible for tourism, and the Chiang Mai National Parks committee expressed sympathy for the proposal. The provincial authorities too seemed to stand behind the investors' plan, although the governor was less committed than one of his deputies who was quoted in the press as saying that he "personally believed a cable car system to Doi Suthep would benefit the province

¹ Social Research Institute, Chiang Mai University, *Proceeding of a Seminar on the Development of Regional Cities in Northern Thailand : Problem, Obstacles and Alternative in Future Development*. Chiang Mai, SRI, 1999, pp. 8-9.

because it would boost tourism if it did not affect residents or conservation”.² Rumours circulated that even the abbot of the Doi Suthep temple had no objections.

Initially, the project progressed smoothly and the investors were optimistic that operations would start in accordance with the plans some time in 1997. Hence they were surprised when opposition surfaced towards the end of 1995. There was reaction against the growth-oriented development model favoured by many Thai businessmen and the country’s economic planners that neither took into account the distribution nor the environmental problems associated with rapid modernisation which was particularly strong in cities like Chiang Mai with its large academic community and many NGOs.³ After nearly two decades of uninterrupted and rapid economic growth there were many changes to the city’s physical appearance and its living conditions, giving rise to a receptive audience for the anti-materialistic ideas of social critics, including Buddhist thinkers such as the famous monk Buddhadasa. These ideas blended perfectly with post-modern Western thinking which had infiltrated student and academic circles. Chiang Mai had become a favourite destination of alternative Western tourists, many of whom were strongly influenced by the environmentalist movement in their home country. Moreover, the beauty of Chiang Mai’s environment and its image as a culturally unique city made it a refuge for a foreign community strongly inspired by ideas of life beyond the destructive forces of western civilisation. The university became the catalyst where local and foreign intellectuals met to exchange their ideas and where a favourable breeding ground for conservationist ideas emerged. Chiang Mai’s long-established localism, with its roots in the population’s pride in their city’s cultural traditions and its history, began to flourish again and was directed mainly against Bangkok’s centralist policies. Together these currents created a favourable climate for the revival of the ancient Northern culture. Projects were designed to preserve northern architecture, revive the almost forgotten Northern language, and to rediscover the local literature mushroomed in the second half of the 1980s.⁴

Against this background it was hardly surprising that local academics and a few environmentally concerned foreigners formed a loose group with the objective of stopping the project. The group became later known as the Club for Chiang Mai and immediately took the lead in the increasingly vociferous protest against the project.

² www.Thairath.co.th/main/doesuthep/24 July 1996.

³ Social Research Institute, Chiang Mai University, *op cit.*, pp.25-29.

⁴ *ibid.*

The Club began to dispute publicly the alleged merits of the project. An information campaign was waged in order to counter the attractive picture drawn by the investors and to direct the attention of the public to the adverse effects. Initially the arguments mainly focussed on the adequacy of the existing road and transportation system. The present road, the opponents argued, was in good shape and wide enough to handle the regular passenger traffic. Traffic problems, including the lack of parking space, occurred only, if at all, on a few religious holidays, when many worshippers travelled to the mountain sanctuary. These rare occasions neither justified the cable car project from a logistical nor from an economic point of view. Far from preserving the mountain's ecology, such a project would inflict severe damage on the area. Doi Suthep has an unusually rich flora and fauna. Even the government recognised the great environmental value of Doi Suthep, since it had declared the area a national park.⁵

While the environmentalist concerns were of great significance, these arguments, however well documented, could not convince broad sections of Chiang Mai's public. Pressure on the investors and the supporting government agencies was thus rather modest. In a battle of letters to the editor of major newspapers in late 1995 and early 1996, it was easy for the investors to dismiss the environmentalist opposition as a ploy of a few foreigners illegitimately trying to block development in the city and harming the people of Chiang Mai by denying them new jobs and additional sources of income.⁶

Pressure on the investors increased substantially when the opponents mobilised religious opposition against the project. Gradually, the Club For Chiang Mai broadened the alliance against the project, enlisting the support of the NGOs and interest groups such as the Project for Ecological Recovery which had just formed a branch in Chiang Mai, the minibus drivers who controlled passenger traffic up to Doi Suthep, and, in particular, the monks and the Buddhist laity as represented by the Youth Club – a religious cultural mass organisation with some 8,000 members in the main district. By May 1996, the alliance included eighteen groups and NGOs opposing the project.⁷ The monks' stand against the project gave the opposition additional legitimacy, helped to mobilise sections of the population hitherto rather indifferent towards the project, and gradually changed public opinion in favour of the opponents. Members of the Club for Chiang Mai had consistently toured the city's temples and organised numerous lectures on the problems associated with the project. In mid-1995 local monk

⁵ Siengtienchai, C., op cit., pp.6-9.

⁶ *ibid*, pp.11-12.

⁷ Social Research Institute, Chiang Mai University, op cit., pp.33-36.

authorities had met several times and pressured the abbot of the temple to state unmistakably the opposition to the project. The abbot subsequently spoke out publicly against the project,⁸ sent a petition allegedly signed by 27,000 people to the Prime Minister and wrote several letters to the provincial governor and the director general of the Department of Religious Affairs, stressing the objections against the project. Of great impact was the argument that the cable car project would desecrate a mountain that was revered by many devout Buddhists. A daily invasion of some 10,000 visitors would severely jeopardise the religious functions of the temple. Moreover, a means of transportation which passes over revered areas was considered sacrilegious especially when it was unnecessary, when its purpose was plain profit, and above all, when it changed what should be a pilgrimage into a pleasure trip undertaken for its own sake, and as a novelty.⁹

While the tide of public opinion was increasingly turning against the investors, they made great efforts to win back the initiative. Apart from cooperating with the authorities, the general manager of the consultancy firm wrote several newspaper articles in the country's major English dailies, claiming that Doi Suthep is not a rich community of plants and animals.¹⁰ Apart from this, the firm commissioned the prestigious central university's social research institute with public opinion surveys aimed at proving that the silent majority of citizens in Chiang Mai were in favour of the project. As these attempts to dispel the arguments of the opponents did not achieve the expected results, an obscure local fortnightly business paper, fired a broadside against the monks. The *Nation Review* quoted the paper as accusing the monks of violating ecclesiastic rules of conduct in their opposition to the project. The article complained about their alleged aggressive, impolite and "contemptuous behaviour towards those who are patrons of the Monks." Anonymous leaflets circulated in Chiang Mai also attacked the opponents.¹¹ Neither such attacks nor the neutralisation of the minibuses drivers' protest, who were won over by the investors with the argument that rising tourist arrivals would more than compensate them for the loss of the Doi Suthep route, could stop the increasing momentum of opposition.

In the meantime the opponents, under the guidance of the Club For Chiang Mai, had developed an arsenal of strategies against the cable car project, ranging from more traditional means of lobbying such as petitioning delegations to visit government leaders

⁸ Ungphakorn, J., *op cit.*, pp.19-22.

⁹ *ibid.*

¹⁰ *The Nation*, 'Doi Suthep: Welcome to Chiang Mai', 8 July 1996, p.3.

¹¹ *Social Research Institute, Chiang Mai University, op cit.*, p.35.

including the provincial governor, MPs and cabinet ministers to modern advertisement techniques such as the distribution of stickers with the slogan 'I love Doi Suthep'. The more the conflict escalated, the more the groups tended towards the use of pressure tactics such as holding press conferences, distributing leaflets, organising information campaigns, public exhibitions and discussions and at the height of the controversy, even organising a public rally on 24 May 1996.¹²

About one month later, the government withdrew from the project. In early July and again in September 1996, two ministers of the Prime Minister's Office denied that the board of directors of the Tourism Authority of Thailand had approved the cable car project. Rather, it should be 'the people of Chiang Mai who decide'. Besides that, the governor of Chiang Mai said he would ask all government agencies concerned to suspend the project for the sake of peace and security in the province.¹³

Although by Thai standards the opposition against the project created substantial pressure, it was, however, not the conservationist movement that finally stopped it. Other events in the country demonstrated to decision-makers the potential explosives of such issues. Chiang Mai's local government had learnt from the situation of a fearful institutional conflict in Phuket, as local opposition against a tantalum plant had erupted into a riot after the tensions in the province were stirred up by outsiders, trying to instrument the conflict for their own ends in the power struggle on the eve of the July 1996 general elections. The riot, in the course of which the newly constructed tantalum plant was totally destroyed, sent shock waves through Thai government circles. With the elections around the corner, the government could not afford a repeat of such incidents in other provinces. Fears that the peaceful protest against the Chiang Mai cable car project could get out of hand became a major motivation for reversing the decision, the new governor, who came to Chiang Mai in October 1997, eventually stopped the project.¹⁴

Yet, as the history of the cable car project and similar projects in Thailand shows, this was not necessarily the end. In 1999, some provincial councillors, most of them members of the provincial assembly's tourism committee, proposed to revive the project. However, the skilful reaction of the governor deflected the initiative right from the beginning.

¹² *ibid.*

¹³ *ibid.*, pp.36-38.

¹⁴ Chiang Mai Municipality. *Op cit.*, pp.19-20.

Appendix D

Questionnaire

Section A: Attitude Survey

To evaluate these questions, there are 9 scales to choose;

9 = *absolutely agree* 8 = *strongly agree* 7 = *agree* 6 = *slightly agree*
5 = *uncertain* 4 = *slightly disagree* 3 = *disagree* 2 = *strongly disagree*
1 = *completely disagree*

Economic Impacts

1. Having a casino in Thailand will encourage tourists to visit Thailand rather than other countries.
2. A casino in Chiang Mai will encourage tourists to come to the region.
3. A casino attracts tourists to spend more time and money in the region.
4. Most of those visiting the casino will be from outside the area.
5. Most of those visiting the casino will be local people.
6. Establishing a casino provides important new sources of income for local government through gambling taxation and licence fees.
7. Local government gains revenue from the introduction of a casino, revenue which is needed for the development of infrastructure and city development.

8. With the establishment of a casino will come new businesses and business expansion.

9. Most of the new businesses will be in the tourist sector, such as souvenir shops, accommodation and catering.

10. Central government gains mainly from the casino development through the additional revenue from taxation on expanding business activity in the area.

11. Government faces demands for increased expenditure on infrastructure development, social welfare, police, courts and other expenses with the introduction of a casino.

12. There are more jobs with the introduction of a casino.

13. The casino may create many additional jobs, but few of them are for local people.

14. Wages and salaries are higher because of the competition for labour.

15. Employees gain a range of benefits in addition to their salary or wages, such as health insurance, annual bonus and other welfare payments.

16. Businesses in the casino area face difficulties in attracting employees because they offer to pay less than the casino.

17. Local businesses will lose some of their customers because they will not compete effectively with casino businesses.

18. Tourists have more disposable income so prices of goods and services increase as a result, making it hard for local people on their lower incomes.

Social and Cultural Impacts

1. Establishment of a casino helps the character and image of the city with the improved infrastructure and social welfare available.
2. Having a casino damages the community morally.
3. A casino operation gets rid of illegal gambling.
4. People will spend their savings on gambling because it is easy to access.
5. A casino causes an increase in the incidence of compulsive gambling behaviour which leads to personal and family tragedies.
6. A casino is bad for a community because it encourages gambling which, in turn, attracts crime, prostitution and drugs trafficking.
7. Crime, prostitution and drugs trafficking are part of modern life and not necessarily part of the presence of a casino.
8. Generating funds for community development is the most important social contribution a casino can make.
9. A casino gives people more choices for entertainment and spending a night out.
10. A casino is one of the more effective leisure activities in modern life.
11. A casino represents a waste of time and a loss of productive effort.
12. People pay less attention to developing their careers because it is easy to get a well-paying job in the casino.

Political and Policy Impacts

1. The government's main role in casino development is to ensure it benefits the community overall.
2. The main areas of benefit are economic.
3. The main areas of benefit are in better legislation for legal gambling.
4. The main areas of benefit are in getting rid of illegal gambling.
5. The main areas of benefit are in infrastructure development.
6. A casino brings the risk of increasing greed as some public officers look to bribes in the operation and regulation of a casino.
7. Political corruption and scandal are risks associated with casinos.
8. Policy-makers need to work hard to ensure policies result in improvements for casino operations and for local people.

Section B: Comment

Do you support the operation of a casino in Thailand in terms of:

1. Economic Impacts

Yes/No

Please give reason for your answer.

2. Socio-cultural Impacts

Yes/No

Please give reason for your answer.

3. Political and public policy Impacts.

Yes/No

Please give reason for your answer.

If a casino is established in Chiang Mai,

1. What do you see as the main benefits and opportunities of such a development?

2. What are the major threats/risks in establishing a casino in Chiang Mai?

2. How could the costs of establishing a casino in Chiang Mai be reduced?

3. How could the benefits of establishing a casino in Chiang Mai be increased?

Section C: Personnel Details

1. How old are you?

- _____ a) under 30 _____ b) 31-40
_____ c) 41-50 _____ d) 51-60
_____ e) over 60

2. Gender

- _____ a) Male _____ b) Female

3. What is your highest qualification?

- _____ a) High school Certificate _____ b) College Diploma
_____ c) Bachelor Degree _____ d) Post-graduate Degree

4. Your Occupation _____

5. What is your total annual income?

- _____ a) under 120,000 Bahts _____ b) 120,001-240,000 Bahts
_____ c) 240,001- 480,000 Bahts _____ d) 480,001-600,000 Bahts
_____ e) over 600,001 Bahts

6. Have you been in any casinos before?

- _____ a) Yes
 If 'yes' then in which casino(s) _____
_____ b) No

Questions for Interview

A: Define the problem

1. How do you expect any problems coming from the casino?
2. What sort of problem will we face? (typical, routine, unusual or unexpected problem)
3. Can you see what problem are happening in these aspects:
 - social
 - culture
 - economic
 - environment
 - politics
 - policy
 - process of decision
 - process of management
 - process of mediation or negotiation
 - outcome of solution
 - other.....
4. Can you indicate whose problems they are?
5. Who involve the problems?
6. Who should take responsibility to the problems?

B: When approaching a routine problem affecting of casino development

7. How will you define clearly and explicitly what problem come from? If do, please explain source of the problem.
8. How will you generate more than one alternative solution to the problem?
9. How will you consider both long term and short term consequences?
10. How will you impose your predetermined solution on the problem?
11. How will you use step-by-step method to solve the problem?
12. How will you select tentative solution before proceeding to implementation?

C: When facing with difficult problem which does not have straight forward solution

13. How do you try to define the problem in several different ways?
14. How do you try to be flexible in the way approaching the problem?
15. Will you look for patterns or common elements in different aspects of the problem/
16. How do you strive to look at problems from different perspectives so as to generate multiple definitions?
17. How will you evaluate the merits of alternative solution to the problem until having generated other alternatives?
18. How will you break the problem down into smaller components and analyse each one separately?
19. How do you strive to generate multiple creative solutions to problem?
20. How do you concern with problem solving outcome?

D: Collaborative problem solving

21. In your position, what will you do to solve the problem?
22. How will you help arrange opportunities for individuals to work on their ideas outside the constraints of normal procedures?
23. How do you make sure that there are divergent points of view represented in every problem solving group?
24. Have you made outrageous suggestions to stimulate people to find new ways of approaching problem?
25. Have you involved outsiders (recognised experts, social, business, or interest groups) in problem solving discussion?
26. How do you like working together to solve the problem?
27. How do you encourage informed rule-breaking in pursuit of creative solution?
28. How do you try to negotiate to solve the problem?
29. What is the relationship between democracy and problem or problem solving?
30. Could you suggest any method of problem solving which enhance autonomy and participation?
31. How do you believe in collaborative problem solving?
32. Can you define what will make problem solving unsuccessful in your region?

Appendix E

Responses to Questionnaire

Attitudes Analysis in Different Backgrounds

Table 1 Variable Test on Economic Impact in the Different Regions

Statement/Region	N	Mean	Std. Deviation	<i>t</i>	df	sig
Having a casino in Thailand will encourage tourists to visit Thailand rather than other countries.						
<i>Chiang Mai</i>	98	6.45	1.78			
<i>Chiang Rai</i>	80	5.06	2.40			
<u>Independent Sample Test</u>				4.420	176	.000*
A casino in your region will encourage tourists to come to the region.						
<i>Chiang Mai</i>	98	5.81	2.29			
<i>Chiang Rai</i>	80	3.89	2.17			
<u>Independent Sample Test</u>				5.697	176	.000*
A casino attracts tourists to spend more time and money in the region.						
<i>Chiang Mai</i>	98	6.33	1.89			
<i>Chiang Rai</i>	80	5.61	2.23			
<u>Independent Sample Test</u>				2.310	176	.022*
Most of those visiting the casino will be from outside the area.						
<i>Chiang Mai</i>	98	6.30	1.45			
<i>Chiang Rai</i>	80	5.78	1.28			
<u>Independent Sample Test</u>				2.508	176	.013*
Most of those visiting the casino will be local people.						
<i>Chiang Mai</i>	98	6.64	1.42			
<i>Chiang Rai</i>	80	6.41	1.52			
<u>Independent Sample Test</u>				1.043	176	.298

Establishing a casino provides important new sources of income for local government through gambling taxation and licence fees.						
<i>Chiang Mai</i>	98	6.97	1.67			
<i>Chiang Rai</i>	80	5.09	2.28			
<u>Independent Sample Test</u>				6.357	176	.000*
Local government gains revenue from the introduction of a casino, revenue which is needed for the development of infrastructure and city development.						
<i>Chiang Mai</i>	98	6.39	1.96			
<i>Chiang Rai</i>	80	4.65	2.39			
<u>Independent Sample Test</u>				5.332	176	.000*
With the establishment of a casino will come new businesses and business expansion.						
<i>Chiang Mai</i>	98	6.05	1.95			
<i>Chiang Rai</i>	80	4.69	2.06			
<u>Independent Sample Test</u>				4.525	176	.000*
Most of the new businesses will be in the tourist sector, such as souvenir shops, accommodation and catering.						
<i>Chiang Mai</i>	98	6.53	1.77			
<i>Chiang Rai</i>	80	6.16	1.59			
<u>Independent Sample Test</u>				1.445	176	.150
Central government gains mainly from the casino development through the additional revenue from taxation on expanding business activity in the area.						
<i>Chiang Mai</i>	98	6.92	1.68			
<i>Chiang Rai</i>	80	4.53	2.22			
<u>Independent Sample Test</u>				8.170	176	.000*
Government faces demands for increased expenditure on infrastructure development, social welfare, police, courts and other expenses with the introduction of a casino.						
<i>Chiang Mai</i>	98	6.63	1.75			
<i>Chiang Rai</i>	80	6.16	2.23			
<u>Independent Sample Test</u>				1.576	176	.117
There are more jobs with the introduction of a casino.						
<i>Chiang Mai</i>	98	6.51	1.59			
<i>Chiang Rai</i>	80	5.13	2.34			
<u>Independent Sample Test</u>				4.680	176	.000*
The casino may create many additional jobs, but few of them are for local people.						
<i>Chiang Mai</i>	98	6.03	1.66			
<i>Chiang Rai</i>	80	5.70	2.05			
<u>Independent Sample Test</u>				1.189	176	.236

Wages and salaries are higher because of the competition for labour.

<i>Chiang Mai</i>	98	4.74	1.86			
<i>Chiang Rai</i>	80	4.03	1.55			
<u>Independent Sample Test</u>				2.767	176	.006*

Employees gain a range of benefits in addition to their salary or wages, such as health insurance, annual bonus, welfare and other payments.

<i>Chiang Mai</i>	98	4.81	2.10			
<i>Chiang Rai</i>	80	3.61	1.70			
<u>Independent Sample Test</u>				4.096	176	.000*

Businesses in the casino area face difficulties in attracting employees because they offer to pay less than the casino.

<i>Chiang Mai</i>	98	5.49	2.08			
<i>Chiang Rai</i>	80	5.60	2.14			
<u>Independent Sample Test</u>				-.347	176	.729

Local businesses will lose some of their customers because they will not compete effectively with casino businesses.

<i>Chiang Mai</i>	98	6.17	1.96			
<i>Chiang Rai</i>	80	6.00	2.08			
<u>Independent Sample Test</u>				0.571	176	.569

Tourists have more disposable income so prices of goods and services increase as a result, making it hard for local people on their lower incomes.

<i>Chiang Mai</i>	98	5.28	2.27			
<i>Chiang Rai</i>	80	4.96	2.63			
<u>Independent Sample Test</u>				0.853	176	.395

Table 2 Variable Test on Social Impacts in the Different Regions

Statement/Region	N	Mean	Std. Deviation	<i>t</i>	df	sig
Establishment of a casino helps the character and image of the city with the improved infrastructure and social welfare available.						
<i>Chiang Mai</i>	98	5.40	2.29			
<i>Chiang Rai</i>	80	3.05	1.60			
<u>Independent Sample Test</u>				7.762	176	.000*
Having a casino damages the community morally.						
<i>Chiang Mai</i>	98	6.26	2.23			
<i>Chiang Rai</i>	80	7.21	1.64			
<u>Independent Sample Test</u>				-3.195	176	.002*
A casino operation gets rid of illegal gambling.						
<i>Chiang Mai</i>	98	5.37	2.22			
<i>Chiang Rai</i>	80	5.04	2.37			
<u>Independent Sample Test</u>				0.957	176	.340
People will spend their savings on gambling because it is easy to access.						
<i>Chiang Mai</i>	98	6.54	1.71			
<i>Chiang Rai</i>	80	6.58	1.83			
<u>Independent Sample Test</u>				-.129	176	.898
A casino causes an increase in the incidence of compulsive gambling behaviour which leads to personal and family tragedies.						
<i>Chiang Mai</i>	98	6.69	1.79			
<i>Chiang Rai</i>	80	7.63	.68			
<u>Independent Sample Test</u>				-4.397	176	.000*
A casino is bad for a community because it encourages gambling which in turn attracts crime, prostitution and drugs trafficking.						
<i>Chiang Mai</i>	98	6.32	2.12			
<i>Chiang Rai</i>	80	7.23	1.36			
<u>Independent Sample Test</u>				-3.313	176	.001*
Crime, prostitution and drugs trafficking are part of modern life and not necessarily part of the presence of a casino.						
<i>Chiang Mai</i>	98	5.68	2.46			
<i>Chiang Rai</i>	80	4.58	2.42			
<u>Independent Sample Test</u>				3.014	176	.003*

Generating funds for community development is the most important social contribution a casino can make.

<i>Chiang Mai</i>	98	6.10	1.92			
<i>Chiang Rai</i>	80	4.51	1.74			
<u>Independent Sample Test</u>				5.728	176	.000*

A casino gives people more choices for entertainment and spending a night out.

<i>Chiang Mai</i>	98	4.81	2.15			
<i>Chiang Rai</i>	80	3.65	2.00			
<u>Independent Sample Test</u>				3.679	176	.000*

A casino is one of the more effective leisure activities in modern life.

<i>Chiang Mai</i>	98	4.45	2.04			
<i>Chiang Rai</i>	80	2.55	.69			
<u>Independent Sample Test</u>				7.970	176	.000*

A casino represents a waste of time and a loss of productive effort.

<i>Chiang Mai</i>	98	6.68	1.96			
<i>Chiang Rai</i>	80	7.53	.80			
<u>Independent Sample Test</u>				3.610	176	.000*

People pay less attention to developing their careers because it is easy to get a well-paying job in the casino.

<i>Chiang Mai</i>	98	5.13	2.28			
<i>Chiang Rai</i>	80	5.29	2.45			
<u>Independent Sample Test</u>				-.436	176	.663

Table 3 Variable Test on Political and Public Policy Impacts in the Different Regions

Statement/Region	N	Mean	Std. Deviation	t	df	sig
The government's main role in casino development is to ensure it benefits the community overall.						
<i>Chiang Mai</i>	98	6.29	2.10			
<i>Chiang Rai</i>	80	4.94	2.79			
<u>Independent Sample Test</u>				3.676	176	.000*
The main areas of benefit are economic.						
<i>Chiang Mai</i>	98	6.72	1.51			
<i>Chiang Rai</i>	80	4.78	2.56			
<u>Independent Sample Test</u>				6.320	176	.000*
The main areas of benefit are in better legislation for legal gambling.						
<i>Chiang Mai</i>	98	6.88	1.58			
<i>Chiang Rai</i>	80	5.95	2.31			
<u>Independent Sample Test</u>				3.173	176	.002*
The main areas of benefit are in getting rid of illegal gambling.						
<i>Chiang Mai</i>	98	6.45	1.69			
<i>Chiang Rai</i>	80	5.41	2.33			
<u>Independent Sample Test</u>				3.435	176	.001*
The main areas of benefit are in infrastructure development.						
<i>Chiang Mai</i>	98	6.31	1.96			
<i>Chiang Rai</i>	80	3.98	2.45			
<u>Independent Sample Test</u>				7.045	176	.000*
A casino brings the risk of increasing greed as some public officers look to bribes in the operation and regulation of a casino.						
<i>Chiang Mai</i>	98	5.97	2.21			
<i>Chiang Rai</i>	80	6.51	2.12			
<u>Independent Sample Test</u>				-1.661	176	.099
Political corruption and scandal are risks associated with casinos.						
<i>Chiang Mai</i>	98	6.09	2.19			
<i>Chiang Rai</i>	80	7.18	1.46			
<u>Independent Sample Test</u>				-3.788	176	.000*
Policy-makers need to work hard to ensure policies result in improvements for casino operations and for local people.						
<i>Chiang Mai</i>	98	7.31	1.32			
<i>Chiang Rai</i>	80	5.53	2.48			
<u>Independent Sample Test</u>				6.138	176	.000*

Table 4 Variable Tests on Economic Impacts According to Different Age Groups

Statement/Region	N	Mean	Std. Deviation	t	df	sig
Having a casino in Thailand will encourage tourists to visit Thailand rather than other countries.						
<i>Under 40 years old</i>	80	5.80	2.26			
<i>Over 41 years old</i>	98	5.85	2.14			
<u>Independent Sample Test</u>				-1.142	176	.887
A casino in your region will encourage tourists to come to the region.						
<i>Under 40 years old</i>	80	4.40	2.44			
<i>Over 41 years old</i>	98	5.39	2.34			
<u>Independent Sample Test</u>				-2.752	176	.007*
A casino attracts tourists to spend more time and money in the region.						
<i>Under 40 years old</i>	80	5.78	2.17			
<i>Over 41 years old</i>	98	6.19	1.99			
<u>Independent Sample Test</u>				-1.342	176	.181
Most of those visiting the casino will be from outside the area.						
<i>Under 40 years old</i>	80	5.94	1.39			
<i>Over 41 years old</i>	98	6.16	1.40			
<u>Independent Sample Test</u>				-1.072	176	.285
Most of those visiting the casino will be local people.						
<i>Under 40 years old</i>	80	6.96	.93			
<i>Over 41 years old</i>	98	6.19	1.72			
<u>Independent Sample Test</u>				3.596	176	.000*
Establishing a casino provides important new sources of income for local government through gambling taxation and licence fees.						
<i>Under 40 years old</i>	80	5.86	2.17			
<i>Over 41 years old</i>	98	6.34	2.16			
<u>Independent Sample Test</u>				-1.453	176	.148
Local government gains revenue from the introduction of a casino, revenue which is needed for the development of infrastructure and city development.						
<i>Under 40 years old</i>	80	5.23	2.45			
<i>Over 41 years old</i>	98	5.92	2.18			
<u>Independent Sample Test</u>				-1.996	176	.047*

With the establishment of a casino will come new businesses and business expansion.						
	<i>Under 40 years old</i>	80	5.33	2.28		
	<i>Over 41 years old</i>	98	5.53	1.96		
	<u>Independent Sample Test</u>				-0.647	0.176 .519
Most of the new businesses will be in the tourist sector, such as souvenir shops, accommodation and catering.						
	<i>Under 40 years old</i>	80	6.20	1.72		
	<i>Over 41 years old</i>	98	6.50	1.67		
	<u>Independent Sample Test</u>				-1.175	0.176 .242
Central government gains mainly from the casino development through the additional revenue from taxation on expanding business activity in the area.						
	<i>Under 40 years old</i>	80	5.69	2.37		
	<i>Over 41 years old</i>	98	5.97	2.20		
	<u>Independent Sample Test</u>				-0.821	0.176 .413
Government faces demands for increased expenditure on infrastructure development, social welfare, police, courts and other expenses with the introduction of a casino.						
	<i>Under 40 years old</i>	80	6.69	1.97		
	<i>Over 41 years old</i>	98	6.20	1.98		
	<u>Independent Sample Test</u>				1.621	0.176 .107
There are more jobs with the introduction of a casino.						
	<i>Under 40 years old</i>	80	6.13	1.91		
	<i>Over 41 years old</i>	98	5.69	2.19		
	<u>Independent Sample Test</u>				1.381	0.176 .169
The casino may create many additional jobs, but few of them are for local people.						
	<i>Under 40 years old</i>	80	5.41	1.94		
	<i>Over 41 years old</i>	98	6.27	1.68		
	<u>Independent Sample Test</u>				-3.138	0.176 .002*
Wages and salaries are higher because of the competition for labour.						
	<i>Under 40 years old</i>	80	4.11	1.48		
	<i>Over 41 years old</i>	98	4.67	1.93		
	<u>Independent Sample Test</u>				-2.138	0.176 .034*
Employees gain a range of benefits in addition to their salary or wages, such as health insurance, annual bonus, welfare and other payments.						
	<i>Under 40 years old</i>	80	3.83	1.64		
	<i>Over 41 years old</i>	98	4.63	2.23		
	<u>Independent Sample Test</u>				-2.703	0.176 .008*

Businesses in the casino area face difficulties in attracting employees because they offer to pay less than the casino.

<i>Under 40 years old</i>	80	5.73	1.98			
<i>Over 41 years old</i>	98	5.39	2.19			
<u>Independent Sample Test</u>				1.065	176	.288

Local businesses will lose some of their customers because they will not compete effectively with casino businesses.

<i>Under 40 years old</i>	80	6.23	2.04			
<i>Over 41 years old</i>	98	5.99	2.00			
<u>Independent Sample Test</u>				.774	176	.440

Tourists have more disposable income so prices of goods and services increase as a result, making it hard for local people on their lower incomes.

<i>Under 40 years old</i>	80	4.86	2.29			
<i>Over 41 years old</i>	98	5.36	2.54			
<u>Independent Sample Test</u>				-1.352	176	.178

Table 5 Variable Tests on Social Impacts According to Different Age Groups

Statement/Region	N	Mean	Std. Deviation	t	df	sig
Establishment of a casino helps the character and image of the city with the improved infrastructure and social welfare available.						
<i>Under 40 years old</i>	80	4.10	2.13			
<i>Over 41 years old</i>	98	4.54	2.45			
<u>Independent Sample Test</u>				-1.264	176	.208
Having a casino damages the community morally.						
<i>Under 40 years old</i>	80	6.65	2.05			
<i>Over 41 years old</i>	98	6.71	2.04			
<u>Independent Sample Test</u>				-.209	176	.835
A casino operation gets rid of illegal gambling.						
<i>Under 40 years old</i>	80	5.35	2.32			
<i>Over 41 years old</i>	98	5.11	2.27			
<u>Independent Sample Test</u>				.689	176	.492
People will spend their savings on gambling because it is easy to access.						
<i>Under 40 years old</i>	80	6.51	1.74			
<i>Over 41 years old</i>	98	6.59	1.78			
<u>Independent Sample Test</u>				.299	176	.765
A casino causes an increase in the incidence of compulsive gambling behaviour which leads to personal and family tragedies.						
<i>Under 40 years old</i>	80	7.21	1.45			
<i>Over 41 years old</i>	98	7.03	1.50			
<u>Independent Sample Test</u>				.817	176	.415
A casino is bad for a community because it encourages gambling which in turn attracts crime, prostitution and drugs trafficking.						
<i>Under 40 years old</i>	80	7.14	1.48			
<i>Over 41 years old</i>	98	6.39	2.08			
<u>Independent Sample Test</u>				2.707	176	.007*
Crime, prostitution and drugs trafficking are part of modern life and not necessarily part of the presence of a casino.						
<i>Under 40 years old</i>	80	5.64	2.31			
<i>Over 41 years old</i>	98	4.82	2.59			
<u>Independent Sample Test</u>				2.207	176	.029*

Generating funds for community development is the most important social contribution a casino can make.						
<i>Under 40 years old</i>	80	5.58	1.90			
<i>Over 41 years old</i>	98	5.23	2.07			
<u>Independent Sample Test</u>				1.130	176	.260
A casino gives people more choices for entertainment and spending a night out.						
<i>Under 40 years old</i>	80	4.51	2.13			
<i>Over 41 years old</i>	98	4.10	2.17			
<u>Independent Sample Test</u>				1.264	176	.208
A casino is one of the more effective leisure activities in modern life.						
<i>Under 40 years old</i>	80	3.73	1.82			
<i>Over 41 years old</i>	98	3.49	1.86			
<u>Independent Sample Test</u>				.848	176	.398
A casino represents a waste of time and a loss of productive effort.						
<i>Under 40 years old</i>	80	7.06	1.67			
<i>Over 41 years old</i>	98	7.06	1.55			
<u>Independent Sample Test</u>				.005	176	.996
People pay less attention to developing their careers because it is easy to get a well-paying job in the casino.						
<i>Under 40 years old</i>	80	5.43	2.35			
<i>Over 41 years old</i>	98	5.02	2.35			
<u>Independent Sample Test</u>				1.143	176	.255

Table 6 Variable Tests on Political and Public Policy Impacts According to Different Age Groups

Statement/Region	N	Mean	Std. Deviation		t	df	sig
The government's main role in casino development is to ensure it benefits the community overall.							
<i>Under 40 years old</i>	80	5.44	2.47				
<i>Over 41 years old</i>	98	5.88	2.55				
<u>Independent Sample Test</u>					-1.161	176	.247
The main areas of benefit are economic.							
<i>Under 40 years old</i>	80	6.08	2.02				
<i>Over 41 years old</i>	98	5.66	2.44				
<u>Independent Sample Test</u>					1.210	176	.228
The main areas of benefit are in better legislation for legal gambling.							
<i>Under 40 years old</i>	80	7.09	1.06				
<i>Over 41 years old</i>	98	5.95	2.39				
<u>Independent Sample Test</u>					3.953	176	.000*
The main areas of benefit are in getting rid of illegal gambling.							
<i>Under 40 years old</i>	80	6.66	1.28				
<i>Over 41 years old</i>	98	5.43	2.39				
<u>Independent Sample Test</u>					4.148	176	.000*
The main areas of benefit are in infrastructure development.							
<i>Under 40 years old</i>	80	5.18	2.42				
<i>Over 41 years old</i>	98	5.33	2.54				
<u>Independent Sample Test</u>					-.405	176	.686
A casino brings the risk of increasing greed as some public officers look to bribes in the operation and regulation of a casino.							
<i>Under 40 years old</i>	80	5.79	2.44				
<i>Over 41 years old</i>	98	6.56	1.88				
<u>Independent Sample Test</u>					-2.385	176	.018*
Political corruption and scandal are risks associated with casinos.							
<i>Under 40 years old</i>	80	6.60	2.10				
<i>Over 41 years old</i>	98	6.56	1.87				
<u>Independent Sample Test</u>					.130	176	.896

Policy-makers need to work hard to ensure policies
 result in improvements for casino
 operations and for local people.

<i>Under 40 years old</i>	80	6.78	1.84			
<i>Over 41 years old</i>	98	6.29	2.30			
<u>Independent Sample Test</u>				1.541	176	.125

Table 7 Variable Tests on Economic Impacts According to Gender

Statement/Region	N	Mean	Std. Deviation	t	df	sig
Having a casino in Thailand will encourage tourists to visit Thailand rather than other countries.						
<i>Male</i>	127	5.91	2.19			
<i>Female</i>	51	5.61	2.18			
<u>Independent Sample Test</u>				.842	176	.401
A casino in your region will encourage tourists to come to the region.						
<i>Male</i>	127	5.13	2.43			
<i>Female</i>	51	4.47	2.37			
<u>Independent Sample Test</u>				1.658	176	.099
A casino attracts tourists to spend more time and money in the region.						
<i>Male</i>	127	6.13	2.02			
<i>Female</i>	51	5.71	2.19			
<u>Independent Sample Test</u>				1.222	176	.223
Most of those visiting the casino will be from outside the area.						
<i>Male</i>	127	6.10	1.51			
<i>Female</i>	51	5.96	1.09			
<u>Independent Sample Test</u>				.609	176	.543
Most of those visiting the casino will be local people.						
<i>Male</i>	127	6.39	1.64			
<i>Female</i>	51	6.90	.78			
<u>Independent Sample Test</u>				-2.112	176	.036*
Establishing a casino provides important new sources of income for local government through gambling taxation and licence fees.						
<i>Male</i>	127	6.40	2.06			
<i>Female</i>	51	5.43	2.31			
<u>Independent Sample Test</u>				2.743	176	.007*
Local government gains revenue from the introduction of a casino, revenue which is needed for the development of infrastructure and city development.						
<i>Male</i>	127	6.13	2.16			
<i>Female</i>	51	4.31	2.23			
<u>Independent Sample Test</u>				5.013	176	.000*

With the establishment of a casino will come new businesses and business expansion.						
<i>Male</i>	127	5.27	2.08			
<i>Female</i>	51	5.86	2.13			
	<u>Independent Sample Test</u>			-1.713	176	.089
Most of the new businesses will be in the tourist sector, such as souvenir shops, accommodation and catering.						
<i>Male</i>	127	6.17	1.88			
<i>Female</i>	51	6.86	.96			
	<u>Independent Sample Test</u>			-2.517	176	.013*
Central government gains mainly from the casino development through the additional revenue from taxation on expanding business activity in the area.						
<i>Male</i>	127	6.17	2.18			
<i>Female</i>	51	5.04	2.34			
	<u>Independent Sample Test</u>			3.053	176	.003*
Government faces demands for increased expenditure on infrastructure development, social welfare, police, courts and other expenses with the introduction of a casino.						
<i>Male</i>	127	6.39	2.04			
<i>Female</i>	51	6.49	1.86			
	<u>Independent Sample Test</u>			-.292	176	.771
There are more jobs with the introduction of a casino.						
<i>Male</i>	127	6.09	2.02			
<i>Female</i>	51	5.37	2.14			
	<u>Independent Sample Test</u>			2.117	176	.036*
The casino may create many additional jobs, but few of them are for local people.						
<i>Male</i>	127	6.06	1.74			
<i>Female</i>	51	5.43	2.04			
	<u>Independent Sample Test</u>			2.081	176	.039*
Wages and salaries are higher because of the competition for labour.						
<i>Male</i>	127	4.55	1.81			
<i>Female</i>	51	4.10	1.59			
	<u>Independent Sample Test</u>			.471	176	.638
Employees gain a range of benefits in addition to their salary or wages, such as health insurance, annual bonus, welfare and other payments.						
<i>Male</i>	127	4.31	2.10			
<i>Female</i>	51	4.16	1.80			
	<u>Independent Sample Test</u>			.471	176	.638

Businesses in the casino area face difficulties in attracting employees because they offer to pay less than the casino.

<i>Male</i>	127	5.58	2.15			
<i>Female</i>	51	5.43	1.98			
<u>Independent Sample Test</u>				.433	176	.665

Local businesses will lose some of their customers because they will not compete effectively with casino businesses.

<i>Male</i>	127	6.39	1.84			
<i>Female</i>	51	5.35	2.23			
<u>Independent Sample Test</u>				3.199	176	.002*

Tourists have more disposable income so prices of goods and services increase as a result, making it hard for local people on their lower incomes.

<i>Male</i>	127	5.15	2.48			
<i>Female</i>	51	5.10	2.34			
<u>Independent Sample Test</u>				.127	176	.899

Table 8 Variable Tests on Social Impact According to Gender

Statement/Region	N	Mean	Std. Deviation			
				t	df	sig
Establishment of a casino helps the character and image of the city with the improved infrastructure and social welfare available.						
<i>Male</i>	127	4.50	2.44			
<i>Female</i>	51	3.94	1.95			
<u>Independent Sample Test</u>				1.468	176	.144
Having a casino damages the community morally.						
<i>Male</i>	127	6.78	2.04			
<i>Female</i>	51	6.45	2.03			
<u>Independent Sample Test</u>				.971	176	.333
A casino operation gets rid of illegal gambling.						
<i>Male</i>	127	5.28	2.33			
<i>Female</i>	51	5.08	2.21			
<u>Independent Sample Test</u>				.519	176	.605
People will spend their savings on gambling because it is easy to access.						
<i>Male</i>	127	6.50	1.87			
<i>Female</i>	51	6.71	1.43			
<u>Independent Sample Test</u>				-.720	176	.473
A casino causes an increase in the incidence of compulsive gambling behaviour which leads to personal and family tragedies.						
<i>Male</i>	127	7.06	1.55			
<i>Female</i>	51	7.25	1.28			
<u>Independent Sample Test</u>				-.816	176	.416
A casino is bad for a community because it encourages gambling which in turn attracts crime, prostitution and drugs trafficking.						
<i>Male</i>	127	6.57	2.00			
<i>Female</i>	51	7.12	1.44			
<u>Independent Sample Test</u>				-1.787	176	.076
Crime, prostitution and drugs trafficking are part of modern life and not necessarily part of the presence of a casino.						
<i>Male</i>	127	5.13	2.58			
<i>Female</i>	51	5.33	2.30			
<u>Independent Sample Test</u>				-.500	176	.618

Generating funds for community development is the most important social contribution a casino can make.						
<i>Male</i>	127	5.46	2.01			
<i>Female</i>	51	5.20	1.98			
<u>Independent Sample Test</u>				- .809	176	.420
A casino gives people more choices for entertainment and spending a night out.						
<i>Male</i>	127	4.46	2.22			
<i>Female</i>	51	3.84	1.94			
<u>Independent Sample Test</u>				1.747	176	.082
A casino is one of the more effective leisure activities in modern life.						
<i>Male</i>	127	3.62	1.95			
<i>Female</i>	51	3.53	1.55			
<u>Independent Sample Test</u>				.303	176	.762
A casino represents a waste of time and a loss of productive effort.						
<i>Male</i>	127	6.88	1.73			
<i>Female</i>	51	7.51	1.12			
<u>Independent Sample Test</u>				-2.401	176	.017*
People pay less attention to developing their careers because it is easy to get a well-paying job in the casino.						
<i>Male</i>	127	5.06	2.41			
<i>Female</i>	51	5.57	2.17			
<u>Independent Sample Test</u>				-1.320	176	.189

Table 9 Variable Tests on Political and Public Policy Impact According to Gender

Statement/Region	N	Mean	Std. Deviation		sig
			t	df	
The government's main role in casino development is to ensure it benefits the community overall.					
<i>Male</i>	127	5.73	2.56		
<i>Female</i>	51	5.55	2.44		
<u>Independent Sample Test</u>				.438	176
The main areas of benefit are economic.					
<i>Male</i>	127	5.87	2.37		
<i>Female</i>	51	5.80	1.99		
<u>Independent Sample Test</u>				.166	176
The main areas of benefit are in better legislation for legal gambling.					
<i>Male</i>	127	6.21	2.25		
<i>Female</i>	51	7.08	.84		
<u>Independent Sample Test</u>				-2.671	176
The main areas of benefit are in getting rid of illegal gambling.					
<i>Male</i>	127	5.82	2.27		
<i>Female</i>	51	6.39	1.36		
<u>Independent Sample Test</u>				-1.685	176
The main areas of benefit are in infrastructure development.					
<i>Male</i>	127	5.40	2.53		
<i>Female</i>	51	4.90	2.34		
<u>Independent Sample Test</u>				1.217	176
A casino brings the risk of increasing greed as some public officers look to bribes in the operation and regulation of a casino.					
<i>Male</i>	127	6.27	2.18		
<i>Female</i>	51	6.08	2.20		
<u>Independent Sample Test</u>				.522	176
Political corruption and scandal are risks associated with casinos.					
<i>Male</i>	127	6.46	2.06		
<i>Female</i>	51	6.88	1.69		
<u>Independent Sample Test</u>				-1.307	176

Policy-makers need to work hard to ensure policies
 result in improvements for casino
 operations and for local people.

<i>Male</i>	127	6.43	2.14
Female	51	6.69	2.07

<u>Independent Sample Test</u>				.721	176	.472
--------------------------------	--	--	--	------	-----	------

Table 10 Variable Tests on Economic Impact According to Casino Experience

Statement/Region	N	Mean	Std. Deviation	t	df	sig
Having a casino in Thailand will encourage tourists to visit Thailand rather than other countries.						
<i>Have been to casinos before</i>	73	6.34	1.80			
<i>Never been to a casino</i>	105	5.47	2.37			
<u>Independent Sample Test</u>				2.671	176	.008*
A casino in your region will encourage tourists to come to the region.						
<i>Have been to casinos before</i>	73	5.27	2.43			
<i>Never been to a casino</i>	105	4.71	2.41			
<u>Independent Sample Test</u>				1.520	176	.130
A casino attracts tourists to spend more time and money in the region.						
<i>Have been to casinos before</i>	73	6.22	2.08			
<i>Never been to a casino</i>	105	5.86	2.07			
<u>Independent Sample Test</u>				1.145	176	.254
Most of those visiting the casino will be from outside the area.						
<i>Have been to casinos before</i>	73	6.11	1.47			
<i>Never been to a casino</i>	105	6.03	1.35			
<u>Independent Sample Test</u>				.379	176	.705
Most of those visiting the casino will be local people.						
<i>Have been to casinos before</i>	73	6.82	1.47			
<i>Never been to a casino</i>	105	6.34	1.44			
<u>Independent Sample Test</u>				2.167	176	.032*
Establishing a casino provides important new sources of income for local government through gambling taxation and licence fees.						
<i>Have been to casinos before</i>	73	6.53	1.87			
<i>Never been to a casino</i>	105	5.84	2.33			
<u>Independent Sample Test</u>				2.124	176	.035*
Local government gains revenue from the introduction of a casino, revenue which is needed for the development of infrastructure and city development.						
<i>Have been to casinos before</i>	73	6.48	2.00			
<i>Never been to a casino</i>	105	5.00	2.35			
<u>Independent Sample Test</u>				4.386	176	.000*

With the establishment of a casino will come new businesses and business expansion.						
	<i>Have been to casinos before</i>	73	5.58	2.03		
	<i>Never been to a casino</i>	105	5.34	2.16		
	<u>Independent Sample Test</u>				.723	176 .471
Most of the new businesses will be in the tourist sector, such as souvenir shops, accommodation and catering.						
	<i>Have been to casinos before</i>	73	6.22	1.91		
	<i>Never been to a casino</i>	105	6.47	1.53		
	<u>Independent Sample Test</u>				-.957	176 .340
Central government gains mainly from the casino development through the additional revenue from taxation on expanding business activity in the area.						
	<i>Have been to casinos before</i>	73	6.74	1.80		
	<i>Never been to a casino</i>	105	5.22	2.37		
	<u>Independent Sample Test</u>				4.629	176 .000*
Government faces demands for increased expenditure on infrastructure development, social welfare, police, courts and other expenses with the introduction of a casino.						
	<i>Have been to casinos before</i>	73	6.11	2.21		
	<i>Never been to a casino</i>	105	6.64	1.80		
	<u>Independent Sample Test</u>				-1.755	176 .081
There are more jobs with the introduction of a casino.						
	<i>Have been to casinos before</i>	73	6.55	1.52		
	<i>Never been to a casino</i>	105	5.43	2.29		
	<u>Independent Sample Test</u>				3.658	176 .000*
The casino may create many additional jobs, but few of them are for local people.						
	<i>Have been to casinos before</i>	73	6.07	1.55		
	<i>Never been to a casino</i>	105	5.75	2.03		
	<u>Independent Sample Test</u>				1.123	176 .263
Wages and salaries are higher because of the competition for labour.						
	<i>Have been to casinos before</i>	73	4.29	1.69		
	<i>Never been to a casino</i>	105	4.51	1.81		
	<u>Independent Sample Test</u>				-.845	176 .399
Employees gain a range of benefits in addition to their salary or wages, such as health insurance, annual bonus, welfare and other payments.						
	<i>Have been to casinos before</i>	73	4.42	1.86		
	<i>Never been to a casino</i>	105	4.16	2.12		
	<u>Independent Sample Test</u>				.854	176 .394

Businesses in the casino area face difficulties in attracting employees because they offer to pay less than the casino.

<i>Have been to casinos before</i>	73	5.75	1.86			
<i>Never been to a casino</i>	105	5.39	2.25			
<u>Independent Sample Test</u>				1.134	176	.258

Local businesses will lose some of their customers because they will not compete effectively with casino businesses.

<i>Have been to casinos before</i>	73	6.41	1.85			
<i>Never been to a casino</i>	105	5.88	2.10			
<u>Independent Sample Test</u>				1.753	176	.081

Tourists have more disposable income so prices of goods and services increase as a result, making it hard for local people on their lower incomes.

<i>Have been to casinos before</i>	73	4.85	2.34			
<i>Never been to a casino</i>	105	5.33	2.49			
<u>Independent Sample Test</u>				-1.307	176	.193

Table 11 Variable Tests on Social Impacts According to Casino Experience

Statement/Region	N	Mean	Std. Deviation	t	df	sig
Establishment of a casino helps the character and image of the city with the improved infrastructure and social welfare available.						
<i>Have been to casinos before</i>	73	4.64	2.14			
<i>Never been to a casino</i>	105	4.13	2.43			
<u>Independent Sample Test</u>				1.449	176	.149
Having a casino damages the community morally.						
<i>Have been to casinos before</i>	73	6.64	2.06			
<i>Never been to a casino</i>	105	6.71	2.04			
<u>Independent Sample Test</u>				-.226	176	.821
A casino operation gets rid of illegal gambling.						
<i>Have been to casinos before</i>	73	5.92	2.34			
<i>Never been to a casino</i>	105	4.73	2.13			
<u>Independent Sample Test</u>				3.504	176	.001*
People will spend their savings on gambling because it is easy to access.						
<i>Have been to casinos before</i>	73	6.79	1.37			
<i>Never been to a casino</i>	105	6.39	1.97			
<u>Independent Sample Test</u>				1.515	176	.132
A casino causes an increase in the incidence of compulsive gambling behaviour which leads to personal and family tragedies.						
<i>Have been to casinos before</i>	73	7.04	1.72			
<i>Never been to a casino</i>	105	7.16	1.29			
<u>Independent Sample Test</u>				-.536	176	.593
A casino is bad for a community because it encourages gambling which in turn attracts crime, prostitution and drugs trafficking.						
<i>Have been to casinos before</i>	73	6.52	1.97			
<i>Never been to a casino</i>	105	6.87	1.80			
<u>Independent Sample Test</u>				-1.216	176	.226
Crime, prostitution and drugs trafficking are part of modern life and not necessarily part of the presence of a casino.						
<i>Have been to casinos before</i>	73	5.89	2.34			
<i>Never been to a casino</i>	105	4.70	2.49			
<u>Independent Sample Test</u>				3.224	176	.002*

Generating funds for community development is the most important social contribution a casino can make.						
	<i>Have been to casinos before</i>	73	5.79	2.01		
	<i>Never been to a casino</i>	105	5.10	1.95		
	<u>Independent Sample Test</u>				2.290	176 .023*
A casino gives people more choices for entertainment and spending a night out.						
	<i>Have been to casinos before</i>	73	4.99	2.26		
	<i>Never been to a casino</i>	105	3.80	1.95		
	<u>Independent Sample Test</u>				3.737	176 .000*
A casino is one of the more effective leisure activities in modern life.						
	<i>Have been to casinos before</i>	73	3.96	1.87		
	<i>Never been to a casino</i>	105	3.34	1.79		
	<u>Independent Sample Test</u>				2.222	176 .028*
A casino represents a waste of time and a loss of productive effort.						
	<i>Have been to casinos before</i>	73	6.86	1.77		
	<i>Never been to a casino</i>	105	7.20	1.46		
	<u>Independent Sample Test</u>				-1.387	176 .167
People pay less attention to developing their careers because it is easy to get a well-paying job in the casino.						
	<i>Have been to casinos before</i>	73	4.41	2.17		
	<i>Never been to a casino</i>	105	5.75	2.32		
	<u>Independent Sample Test</u>				-3.890	176 .000*

Table 12 Variable Tests on Political and Public Policy Impact According to Casino Experience

Statement/Region	N	Mean	Std. Deviation			
				t	df	sig
The government's main role in casino development is to ensure it benefits the community overall.						
<i>Have been to casinos before</i>	73	6.07	2.22			
<i>Never been to a casino</i>	105	5.41	2.68			
<u>Independent Sample Test</u>				1.727	176	.086
The main areas of benefit are economic.						
<i>Have been to casinos before</i>	73	6.67	1.75			
<i>Never been to a casino</i>	105	5.28	2.40			
<u>Independent Sample Test</u>				4.238	176	.000*
The main areas of benefit are in better legislation for legal gambling.						
<i>Have been to casinos before</i>	73	6.67	1.97			
<i>Never been to a casino</i>	105	6.31	2.00			
<u>Independent Sample Test</u>				1.179	176	.240
The main areas of benefit are in getting rid of illegal gambling.						
<i>Have been to casinos before</i>	73	6.37	1.96			
<i>Never been to a casino</i>	105	5.71	2.10			
<u>Independent Sample Test</u>				2.106	176	.037*
The main areas of benefit are in infrastructure development.						
<i>Have been to casinos before</i>	73	6.19	2.07			
<i>Never been to a casino</i>	105	4.61	2.54			
<u>Independent Sample Test</u>				4.399	176	.000*
A casino brings the risk of increasing greed as some public officers look to bribes in the operation and regulation of a casino.						
<i>Have been to casinos before</i>	73	5.56	2.36			
<i>Never been to a casino</i>	105	6.67	1.93			
<u>Independent Sample Test</u>				-3.424	176	.001*
Political corruption and scandal are risks associated with casinos.						
<i>Have been to casinos before</i>	73	5.93	2.23			
<i>Never been to a casino</i>	105	7.03	1.63			
<u>Independent Sample Test</u>				-3.794	176	.000*

Policy-makers need to work hard to ensure policies
 result in improvements for casino
 operations and for local people.

<i>Have been to casinos before</i>	73	7.11	1.51			
<i>Never been to a casino</i>	105	6.09	2.37			
<u>Independent Sample Test</u>				3.261	176	.001*

Table 13 Variable Tests on Economic Impact According to Political Involvement

Statement/Region	N	Mean	Std. Deviation	t	df	sig
Having a casino in Thailand will encourage tourists to visit Thailand rather than other countries.						
Involved in Politics	86	5.94	2.00			
Not involved in Politics	91	5.69	2.36			
<u>Independent Sample Test</u>				.757	175	.450
A casino in your region will encourage tourists to come to the region.						
Involved in Politics	86	5.31	2.33			
Not involved in Politics	91	4.56	2.46			
<u>Independent Sample Test</u>				2.089	175	.038*
A casino attracts tourists to spend more time and money in the region.						
Involved in Politics	86	5.90	2.10			
Not involved in Politics	91	6.09	2.06			
<u>Independent Sample Test</u>				-.615	175	.539
Most of those visiting the casino will be from outside the area.						
Involved in Politics	86	6.16	1.54			
Not involved in Politics	91	5.98	1.26			
<u>Independent Sample Test</u>				.877	175	.382
Most of those visiting the casino will be local people.						
Involved in Politics	86	6.67	1.50			
Not involved in Politics	91	6.43	1.43			
<u>Independent Sample Test</u>				1.116	175	.266
Establishing a casino provides important new sources of income for local government through gambling taxation and licence fees.						
Involved in Politics	86	6.44	2.00			
Not involved in Politics	91	5.80	2.30			
<u>Independent Sample Test</u>				1.973	175	.050*
Local government gains revenue from the introduction of a casino, revenue which is needed for the development of infrastructure and city development.						
Involved in Politics	86	5.59	2.23			
Not involved in Politics	91	5.59	2.42			
<u>Independent Sample Test</u>				-.001	175	.999

With the establishment of a casino will come new businesses and business expansion.						
Involved in Politics	86	5.97	1.98			
Not involved in Politics	91	4.95	2.13			
<u>Independent Sample Test</u>				3.229	175	.001*
Most of the new businesses will be in the tourist sector, such as souvenir shops, accommodation and catering.						
Involved in Politics	86	6.38	1.95			
Not involved in Politics	91	6.33	1.43			
<u>Independent Sample Test</u>				.221	175	.833
Central government gains mainly from the casino development through the additional revenue from taxation on expanding business activity in the area.						
Involved in Politics	86	6.23	2.21			
Not involved in Politics	91	5.45	2.29			
<u>Independent Sample Test</u>				2.311	175	.022*
Government faces demands for increased expenditure on infrastructure development, social welfare, police, courts and other expenses with the introduction of a casino.						
Involved in Politics	86	6.72	1.64			
Not involved in Politics	91	6.13	2.25			
<u>Independent Sample Test</u>				1.982	175	.049*
There are more jobs with the introduction of a casino.						
Involved in Politics	86	6.08	1.98			
Not involved in Politics	91	5.68	2.16			
<u>Independent Sample Test</u>				1.283	175	.201
The casino may create many additional jobs, but few of them are for local people.						
Involved in Politics	86	5.97	1.77			
Not involved in Politics	91	5.81	1.93			
<u>Independent Sample Test</u>				.544	175	.587
Wages and salaries are higher because of the competition for labour.						
Involved in Politics	86	4.79	1.92			
Not involved in Politics	91	4.07	1.53			
<u>Independent Sample Test</u>				2.785	175	.006*
Employees gain a range of benefits in addition to their salary or wages, such as health insurance, annual bonus, welfare and other payments.						
Involved in Politics	86	4.70	2.18			
Not involved in Politics	91	3.82	1.73			
<u>Independent Sample Test</u>				2.961	175	.003*

Businesses in the casino area face difficulties in attracting employees because they offer to pay less than the casino.

Involved in Politics	86	5.95	1.94			
Not involved in Politics	91	5.18	2.18			
<u>Independent Sample Test</u>				2.500	175	.013*

Local businesses will lose some of their customers because they will not compete effectively with casino businesses.

Involved in Politics	86	6.42	1.80			
Not involved in Politics	91	5.80	2.17			
<u>Independent Sample Test</u>				2.050	175	.042*

Tourists have more disposable income so prices of goods and services increase as a result, making it hard for local people on their lower incomes.

Involved in Politics	86	5.13	2.23			
Not involved in Politics	91	5.11	2.62			
<u>Independent Sample Test</u>				.049	175	.961

Table 14 Variable Tests on Social Impacts According to Political Involve

Statement/Region	N	Mean	Std. Deviation		t	df	sig
Establishment of a casino helps the character and image of the city with the improved infrastructure and social welfare available.							
Involved in Politics	86	4.55	2.32				
Not involved in Politics	91	4.16	2.33				
<u>Independent Sample Test</u>				1.093	175	.276	
Having a casino damages the community morally.							
Involved in Politics	86	6.37	2.15				
Not involved in Politics	91	7.02	1.86				
<u>Independent Sample Test</u>				-2.154	175	.033*	
A casino operation gets rid of illegal gambling.							
Involved in Politics	86	4.98	2.33				
Not involved in Politics	91	5.42	2.23				
<u>Independent Sample Test</u>				-1.285	175	.200	
People will spend their savings on gambling because it is easy to access.							
Involved in Politics	86	6.58	1.79				
Not involved in Politics	91	6.55	1.74				
<u>Independent Sample Test</u>				.121	175	.904	
A casino causes an increase in the incidence of compulsive gambling behaviour which leads to personal and family tragedies.							
Involved in Politics	86	6.90	1.69				
Not involved in Politics	91	7.34	1.20				
<u>Independent Sample Test</u>				-2.030	175	.044*	
A casino is bad for a community because it encourages gambling which in turn attracts crime, prostitution and drugs trafficking.							
Involved in Politics	86	6.45	2.17				
Not involved in Politics	91	7.02	1.45				
<u>Independent Sample Test</u>				-2.057	175	.041*	
Crime, prostitution and drugs trafficking are part of modern life and not necessarily part of the presence of a casino.							
Involved in Politics	86	5.17	2.50				
Not involved in Politics	91	5.16	2.50				
<u>Independent Sample Test</u>				.025	175	.980	

Generating funds for community development is the most important social contribution a casino can make.						
Involved in Politics	86	5.73	2.23			
Not involved in Politics	91	5.07	1.72			
<u>Independent Sample Test</u>				2.235	175	.027*
A casino gives people more choices for entertainment and spending a night out.						
Involved in Politics	86	4.49	2.17			
Not involved in Politics	91	4.07	2.13			
<u>Independent Sample Test</u>				1.306	175	.193
A casino is one of the more effective leisure activities in modern life.						
Involved in Politics	86	4.22	2.09			
Not involved in Politics	91	2.99	1.33			
<u>Independent Sample Test</u>				4.708	175	.000*
A casino represents a waste of time and a loss of productive effort.						
Involved in Politics	86	6.92	1.89			
Not involved in Politics	91	7.20	1.28			
<u>Independent Sample Test</u>				-1.159	175	.248
People pay less attention to developing their careers because it is easy to get a well-paying job in the casino.						
Involved in Politics	86	5.27	2.42			
Not involved in Politics	91	5.18	2.28			
<u>Independent Sample Test</u>				.259	175	.796

Table 15 Variable Tests on Political and Public Policy Impact According to Political Involve

Statement/Region	N	Mean	Std. Deviation	t	df	sig
<hr/>						
The government's main role in casino development is to ensure it benefits the community overall.						
Involved in Politics	86	5.27	2.42			
Not involved in Politics	91	5.18	2.28			
<u>Independent Sample Test</u>				-.556	175	.579
The main areas of benefit are economic.						
Involved in Politics	86	5.97	2.07			
Not involved in Politics	91	5.78	2.41			
<u>Independent Sample Test</u>				.546	175	.586
The main areas of benefit are in better legislation for legal gambling.						
Involved in Politics	86	6.31	2.01			
Not involved in Politics	91	6.65	1.92			
<u>Independent Sample Test</u>				-1.132	175	.259
The main areas of benefit are in getting rid of illegal gambling.						
Involved in Politics	86	5.88	2.02			
Not Involved in Politics	91	6.12	2.08			
<u>Independent Sample Test</u>				-.770	175	.442
The main areas of benefit are in infrastructure development.						
Involved in Politics	86	5.37	2.34			
Not Involved in Politics	91	5.19	2.61			
<u>Independent Sample Test</u>				.497	175	.620
A casino brings the risk of increasing greed as some public officers look to bribes in the operation and regulation of a casino.						
Involved in Politics	86	6.42	2.09			
Not Involved in Politics	91	6.00	2.26			
<u>Independent Sample Test</u>				1.277	175	.203
Political corruption and scandal are risks associated with casinos.						
Involved in Politics	86	6.73	1.94			
Not Involved in Politics	91	6.42	1.99			
<u>Independent Sample Test</u>				1.063	175	.289
Policy-makers need to work hard to ensure policies result in improvements for casino operations and for local people.						
Involved in Politics	86	6.65	2.06			
Not Involved in Politics	91	6.35	2.18			
<u>Independent Sample Test</u>				.940	175	.349

Table 16 Variable Tests on Economic Impact According to Income

Statement/Region	N	Mean	Std. Deviation	t	df	sig
Having a casino in Thailand will encourage tourists to visit Thailand rather than other countries.						
<i>Under 240,000 Bahts per year</i>		125	5.70	2.29		
<i>Over 240,001 Bahts per year</i>	53	6.11	1.92			
<u>Independent Sample Test</u>				-1.142	176	.255
A casino in your region will encourage tourists to come to the region.						
<i>Under 240,000 Bahts per year</i>		125	4.70	2.45		
<i>Over 240,001 Bahts per year</i>	53	5.53	2.28			
<u>Independent Sample Test</u>				-2.114	176	.036*
A casino attracts tourists to spend more time and money in the region.						
<i>Under 240,000 Bahts per year</i>		125	5.73	2.16		
<i>Over 240,001 Bahts per year</i>	53	6.66	1.70			
<u>Independent Sample Test</u>				-2.792	176	.006*
Most of those visiting the casino will be from outside the area.						
<i>Under 240,000 Bahts per year</i>		125	5.94	1.42		
<i>Over 240,001 Bahts per year</i>	53	6.34	1.33			
<u>Independent Sample Test</u>				-1.735	176	.084
Most of those visiting the casino will be local people.						
<i>Under 240,000 Bahts per year</i>		125	6.62	1.39		
<i>Over 240,001 Bahts per year</i>	53	6.36	1.63			
<u>Independent Sample Test</u>				1.072	176	.285
Establishing a casino provides important new sources of income for local government through gambling taxation and licence fees.						
<i>Under 240,000 Bahts per year</i>		125	5.90	2.28		
<i>Over 240,001 Bahts per year</i>	53	6.64	1.82			
<u>Independent Sample Test</u>				-2.091	176	.033*
Local government gains revenue from the introduction of a casino, revenue which is needed for the development of infrastructure and city development.						
<i>Under 240,000 Bahts per year</i>		125	5.22	2.40		
<i>Over 240,001 Bahts per year</i>	53	6.51	1.86			
<u>Independent Sample Test</u>				-3.478	176	.001*

With the establishment of a casino will come new businesses and business expansion.

<i>Under 240,000 Bahts per year</i>		125	5.46	2.19		
<i>Over 240,001 Bahts per year</i>	53	5.40	1.91			
<u>Independent Sample Test</u>				.173	176	.863

Most of the new businesses will be in the tourist sector, such as souvenir shops, accommodation and catering.

<i>Under 240,000 Bahts per year</i>		125	6.30	1.79		
<i>Over 240,001 Bahts per year</i>	53	6.51	1.46			
<u>Independent Sample Test</u>				-.738	176	.462

Central government gains mainly from the casino development through the additional revenue from taxation on expanding business activity in the area.

<i>Under 240,000 Bahts per year</i>		125	5.62	2.43		
<i>Over 240,001 Bahts per year</i>	53	6.36	1.79			
<u>Independent Sample Test</u>				-1.984	176	.049*

Government faces demands for increased expenditure on infrastructure development, social welfare, police, courts and other expenses with the introduction of a casino.

<i>Under 240,000 Bahts per year</i>		125	6.71	1.82		
<i>Over 240,001 Bahts per year</i>	53	5.74	2.20			
<u>Independent Sample Test</u>				3.066	176	.003*

There are more jobs with the introduction of a casino.

<i>Under 240,000 Bahts per year</i>		125	5.84	2.11		
<i>Over 240,001 Bahts per year</i>	53	6.00	2.02			
<u>Independent Sample Test</u>				-.469	176	.640

The casino may create many additional jobs, but few of them are for local people.

<i>Under 240,000 Bahts per year</i>		125	5.62	1.92		
<i>Over 240,001 Bahts per year</i>	53	6.49	1.53			
<u>Independent Sample Test</u>				-2.291	176	.004*

Wages and salaries are higher because of the competition for labour.

<i>Under 240,000 Bahts per year</i>		125	4.46	1.76		
<i>Over 240,001 Bahts per year</i>	53	4.32	1.77			
<u>Independent Sample Test</u>				.496	176	.621

Employees gain a range of benefits in addition to their salary or wages, such as health insurance, annual bonus, welfare and other payments.

<i>Under 240,000 Bahts per year</i>		125	4.26	2.00		
<i>Over 240,001 Bahts per year</i>	53	4.28	2.09			
<u>Independent Sample Test</u>				-.057	176	.954

Businesses in the casino area face difficulties in attracting employees because they offer to pay less than the casino.

<i>Under 240,000 Bahts per year</i>		125	5.74	2.03		
<i>Over 240,001 Bahts per year</i>	53	5.06	2.21			
<u>Independent Sample Test</u>				2.012	176	.046*

Local businesses will lose some of their customers because they will not compete effectively with casino businesses.

<i>Under 240,000 Bahts per year</i>		125	6.17	2.02		
<i>Over 240,001 Bahts per year</i>	53	5.92	2.01			
<u>Independent Sample Test</u>				.737	176	.462

Tourists have more disposable income so prices of goods and services increase as a result, making it hard for local people on their lower incomes.

<i>Under 240,000 Bahts per year</i>		125	5.36	2.38		
<i>Over 240,001 Bahts per year</i>	53	4.60	2.51			
<u>Independent Sample Test</u>				1.909	176	.058

Table 17 Variable Tests on Social Impacts According to Income

Statement/Region	N	Mean	Std. Deviation	t	df	sig
Establishment of a casino helps the character and image of the city with the improved infrastructure and social welfare available.						
<i>Under 240,000 Bahts per year</i>		125	4.22	2.28		
<i>Over 240,001 Bahts per year</i>	53	4.62	2.40			
<u>Independent Sample Test</u>				-1.049	176	.296
Having a casino damages the community morally.						
<i>Under 240,000 Bahts per year</i>		125	6.63	2.04		
<i>Over 240,001 Bahts per year</i>	53	6.81	2.05			
<u>Independent Sample Test</u>				-.535	176	.593
A casino operation gets rid of illegal gambling.						
<i>Under 240,000 Bahts per year</i>		125	5.17	2.17		
<i>Over 240,001 Bahts per year</i>	53	5.34	2.56			
<u>Independent Sample Test</u>				-.457	176	.649
People will spend their savings on gambling because it is easy to access.						
<i>Under 240,000 Bahts per year</i>		125	6.49	1.83		
<i>Over 240,001 Bahts per year</i>	53	6.72	1.59			
<u>Independent Sample Test</u>				-.795	176	.428
A casino causes an increase in the incidence of compulsive gambling behaviour which leads to personal and family tragedies.						
<i>Under 240,000 Bahts per year</i>		125	7.08	1.49		
<i>Over 240,001 Bahts per year</i>	53	7.19	1.46			
<u>Independent Sample Test</u>				-.448	176	.655
A casino is bad for a community because it encourages gambling which in turn attracts crime, prostitution and drugs trafficking.						
<i>Under 240,000 Bahts per year</i>		125	6.83	1.79		
<i>Over 240,001 Bahts per year</i>	53	6.47	2.03			
<u>Independent Sample Test</u>				1.176	176	.241
Crime, prostitution and drugs trafficking are part of modern life and not necessarily part of the presence of a casino.						
<i>Under 240,000 Bahts per year</i>		125	5.29	2.48		
<i>Over 240,001 Bahts per year</i>	53	4.94	2.55			
<u>Independent Sample Test</u>				.842	176	.401

Generating funds for community development is the most important social contribution a casino can make.						
			125	5.41	1.94	
	<i>Under 240,000 Bahts per year</i>					
	<i>Over 240,001 Bahts per year</i>	53	5.34	2.16		
	<u>Independent Sample Test</u>				.208	176 .835
A casino gives people more choices for entertainment and spending a night out.						
			125	4.19	2.12	
	<i>Under 240,000 Bahts per year</i>					
	<i>Over 240,001 Bahts per year</i>	53	4.51	2.26		
	<u>Independent Sample Test</u>				-.897	176 .371
A casino is one of the more effective leisure activities in modern life.						
			125	3.72	1.89	
	<i>Under 240,000 Bahts per year</i>					
	<i>Over 240,001 Bahts per year</i>	53	3.30	1.71		
	<u>Independent Sample Test</u>				1.390	176 .166
A casino represents a waste of time and a loss of productive effort.						
			125	7.06	1.59	
	<i>Under 240,000 Bahts per year</i>					
	<i>Over 240,001 Bahts per year</i>	53	7.08	1.63		
	<u>Independent Sample Test</u>				-.074	176 .941
People pay less attention to developing their careers because it is easy to get a well-paying job in the casino.						
			125	5.33	2.40	
	<i>Under 240,000 Bahts per year</i>					
	<i>Over 240,001 Bahts per year</i>	53	4.91	2.24		
	<u>Independent Sample Test</u>				1.096	176 .274

Table 18 Variable Tests on Political and Public Policy Impact According to Income

Statement/Region	N	Mean	Std. Deviation	t	df	sig
<hr/>						
The government's main role in casino development is to ensure it benefits the community overall.						
<i>Under 240,000 Bahts per year</i>		125	5.38	2.56		
<i>Over 240,001 Bahts per year</i>	53	6.38	2.30			
<u>Independent Sample Test</u>				-2.440	176	.016*
The main areas of benefit are economic.						
<i>Under 240,000 Bahts per year</i>		125	5.70	2.23		
<i>Over 240,001 Bahts per year</i>	53	6.19	2.32			
<u>Independent Sample Test</u>				-1.310	176	.192
The main areas of benefit are in better legislation for legal gambling.						
<i>Under 240,000 Bahts per year</i>		125	6.70	1.68		
<i>Over 240,001 Bahts per year</i>	53	5.91	2.51			
<u>Independent Sample Test</u>				2.458	176	.015*
The main areas of benefit are in getting rid of illegal gambling.						
<i>Under 240,000 Bahts per year</i>		125	6.19	1.83		
<i>Over 240,001 Bahts per year</i>	53	5.49	2.48			
<u>Independent Sample Test</u>				2.095	176	.038*
The main areas of benefit are in infrastructure development.						
<i>Under 240,000 Bahts per year</i>		125	4.94	2.49		
<i>Over 240,001 Bahts per year</i>	53	6.00	2.32			
<u>Independent Sample Test</u>				-2.642	176	.009*
A casino brings the risk of increasing greed as some public officers look to bribes in the operation and regulation of a casino.						
<i>Under 240,000 Bahts per year</i>		125	6.26	2.22		
<i>Over 240,001 Bahts per year</i>	53	6.09	2.11			
<u>Independent Sample Test</u>				.474	176	.636
Political corruption and scandal are risks associated with casinos.						
<i>Under 240,000 Bahts per year</i>		125	6.74	1.93		
<i>Over 240,001 Bahts per year</i>	53	6.21	2.03			
<u>Independent Sample Test</u>				1.646	176	.101
Policy-makers need to work hard to ensure policies result in improvements for casino operations and for local people.						
<i>Under 240,000 Bahts per year</i>		125	6.50	2.09		
<i>Over 240,001 Bahts per year</i>	53	6.53	2.19			
<u>Independent Sample Test</u>				-.093	176	.926
<hr/>						

Table 19 Variable Tests on Support for Economic Impact

Statement/Region	N	Mean	Std. Deviation	<i>t</i>	df	sig
Having a casino in Thailand will encourage tourists to visit Thailand rather than other countries.						
<i>Support</i>	83	7.23	.75			
<i>Do Not Support</i>	48	3.63	1.94			
<u>Independent Sample Test</u>				15.086	129	.000*
A casino in your region will encourage tourists to come to the region.						
<i>Support</i>	83	6.08	2.20			
<i>Do Not Support</i>	48	2.96	1.32			
<u>Independent Sample Test</u>				8.180	129	.000*
A casino attracts tourists to spend more time and money in the region.						
<i>Support</i>	83	6.83	1.70			
<i>Do Not Support</i>	48	3.63	1.94			
<u>Independent Sample Test</u>				3.510	129	.000*
Most of those visiting the casino will be from outside the area.						
<i>Support</i>	83	6.28	1.43			
<i>Do Not Support</i>	48	5.44	1.09			
<u>Independent Sample Test</u>				.265	129	.001*
Most of those visiting the casino will be local people.						
<i>Support</i>	83	6.47	1.50			
<i>Do Not Support</i>	48	6.40	1.61			
<u>Independent Sample Test</u>				8.321	129	.791
Establishing a casino provides important new sources of income for local government through gambling taxation and licence fees.						
<i>Support</i>	83	7.10	1.39			
<i>Do Not Support</i>	48	4.42	2.30			
<u>Independent Sample Test</u>				9.860	129	.000*

Local government gains revenue from the introduction of a casino, revenue which is needed for the development of infrastructure and city development.						
<i>Support</i>	83	6.67	1.60			
<i>Do Not Support</i>	48	3.54	1.99			
<u>Independent Sample Test</u>				4.991	129	.000*
With the establishment of a casino will come new businesses and business expansion.						
<i>Support</i>	83	6.08	1.91			
<i>Do Not Support</i>	48	4.35	1.92			
<u>Independent Sample Test</u>				5.322	129	.000*
Most of the new businesses will be in the tourist sector, such as souvenir shops, accommodation and catering.						
<i>Support</i>	83	6.94	1.49			
<i>Do Not Support</i>	48	5.40	1.77			
<u>Independent Sample Test</u>				13.055	129	.000*
Central government gains mainly from the casino development through the additional revenue from taxation on expanding business activity in the area.						
<i>Support</i>	83	7.14	1.23			
<i>Do Not Support</i>	48	3.58	1.89			
<u>Independent Sample Test</u>				-2.293	129	.023*
Government faces demands for increased expenditure on infrastructure development, social welfare, police, courts and other expenses with the introduction of a casino.						
<i>Support</i>	83	6.11	2.11			
<i>Do Not Support</i>	48	6.90	1.43			
<u>Independent Sample Test</u>				8.126	129	.000*
There are more jobs with the introduction of a casino.						
<i>Support</i>	83	6.86	1.20			
<i>Do Not Support</i>	48	4.38	2.29			
<u>Independent Sample Test</u>				1.691	129	.093
The casino may create many additional jobs, but few of them are for local people.						
<i>Support</i>	83	5.92	1.73			
<i>Do Not Support</i>	48	5.33	2.16			
<u>Independent Sample Test</u>				3.574	129	.000*
Wages and salaries are higher because of the competition for labour.						
<i>Support</i>	83	4.83	1.71			
<i>Do Not Support</i>	48	3.73	1.69			
<u>Independent Sample Test</u>				3.574	129	.000*

Employees gain a range of benefits in addition to their salary or wages, such as health insurance, annual bonus, welfare and other payments.							
<i>Support</i>	83	4.86	2.03				
<i>Do Not Support</i>	48	3.27	1.53				
<u>Independent Sample Test</u>				4.691	129	.000*	
Businesses in the casino area face difficulties in attracting employees because they offer to pay less than the casino.							
<i>Support</i>	83	5.30	2.21				
<i>Do Not Support</i>	48	6.00	1.87				
<u>Independent Sample Test</u>				-1.844	129	.067	
Local businesses will lose some of their customers because they will not compete effectively with casino businesses.							
<i>Support</i>	83	5.94	2.18				
<i>Do Not Support</i>	48	6.08	1.88				
<u>Independent Sample Test</u>				-.381	129	.704	
Tourists have more disposable income so prices of goods and services increase as a result, making it hard for local people on their lower incomes.							
<i>Support</i>	83	4.37	2.29				
<i>Do Not Support</i>	48	6.38	2.12				
<u>Independent Sample Test</u>				-4.945	129	.000*	

Table 20 Variable Tests on Support for Social and Cultural Impact

Statement/Region	N	Mean	Std. Deviation			
				t	df	sig
Establishment of a casino helps the character and image of the city with the improved infrastructure and social welfare available.						
<i>Support</i>	49	6.00	2.27			
<i>Do Not Support</i>	82	3.51	1.91			
<u>Independent Sample Test</u>				6.719	129	.000*
Having a casino damages the community morally.						
<i>Support</i>	49	5.53	2.42			
<i>Do Not Support</i>	82	7.26	1.55			
<u>Independent Sample Test</u>				-4.965	129	.000*
A casino operation gets rid of illegal gambling.						
<i>Support</i>	49	6.12	1.96			
<i>Do Not Support</i>	82	4.73	2.18			
<u>Independent Sample Test</u>				3.666	129	.000*
People will spend their savings on gambling because it is easy to access.						
<i>Support</i>	49	5.78	1.81			
<i>Do Not Support</i>	82	6.91	1.68			
<u>Independent Sample Test</u>				-3.652	129	.000*
A casino causes an increase in the incidence of compulsive gambling behaviour which leads to personal and family tragedies.						
<i>Support</i>	49	6.08	1.89			
<i>Do Not Support</i>	82	7.63	.79			
<u>Independent Sample Test</u>				6.544	129	.000*
A casino is bad for a community because it encourages gambling which in turn attracts crime, prostitution and drugs trafficking.						
<i>Support</i>	49	5.51	2.32			
<i>Do Not Support</i>	82	7.33	1.28			
<u>Independent Sample Test</u>				-5.791	129	.000*
Crime, prostitution and drugs trafficking are part of modern life and not necessarily part of the presence of a casino.						
<i>Support</i>	49	6.29	2.28			
<i>Do Not Support</i>	82	4.30	2.37			
<u>Independent Sample Test</u>				4.698	129	.000*

Generating funds for community development is the most important social contribution a casino can make.						
<i>Support</i>	49	6.22	1.82			
<i>Do Not Support</i>	82	4.66	1.87			
<u>Independent Sample Test</u>				4.691	129	.000*
A casino gives people more choices for entertainment and spending a night out.						
<i>Support</i>	49	5.41	2.13			
<i>Do Not Support</i>	82	3.55	1.85			
<u>Independent Sample Test</u>				5.251	129	.000*
A casino is one of the more effective leisure activities in modern life.						
<i>Support</i>	49	5.08	2.07			
<i>Do Not Support</i>	82	2.73	.90			
<u>Independent Sample Test</u>				8.966	129	.000*
A casino represents a waste of time and a loss of productive effort.						
<i>Support</i>	49	6.31	2.08			
<i>Do Not Support</i>	82	7.49	.89			
<u>Independent Sample Test</u>				-4.500	129	.000*
People pay less attention to developing their careers because it is easy to get a well-paying job in the casino.						
<i>Support</i>	49	4.59	2.32			
<i>Do Not Support</i>	82	5.57	2.40			
<u>Independent Sample Test</u>				-2.294	129	.000*

Table 21 Variable Tests on Support for Political and Public Policy Impacts

Statement/Region	N	Mean	Std. Deviation	t	df	sig
The government's main role in casino development is to ensure it benefits the community overall.						
<i>Support</i>	64	7.00	1.73			
<i>Do Not Support</i>	67	4.51	2.54			
<u>Independent Sample Test</u>				6.543	129	.000*
The main areas of benefit are economic.						
<i>Support</i>	64	7.15	1.39			
<i>Do Not Support</i>	67	4.57	2.32			
<u>Independent Sample Test</u>				7.623	129	.000*
The main areas of benefit are in better legislation for legal gambling.						
<i>Support</i>	64	7.36	1.13			
<i>Do Not Support</i>	67	5.66	2.25			
<u>Independent Sample Test</u>				5.426	129	.000*
The main areas of benefit are in getting rid of illegal gambling.						
<i>Support</i>	64	7.11	1.27			
<i>Do Not Support</i>	67	5.04	2.15			
<u>Independent Sample Test</u>				6.649	129	.000*
The main areas of benefit are in infrastructure development.						
<i>Support</i>	64	6.70	1.81			
<i>Do Not Support</i>	67	4.12	2.42			
<u>Independent Sample Test</u>				6.898	129	.000*
A casino brings the risk of increasing greed as some public officers look to bribes in the operation and regulation of a casino.						
<i>Support</i>	64	5.16	2.25			
<i>Do Not Support</i>	67	7.24	1.55			
<u>Independent Sample Test</u>				-6.199	129	.000*
Political corruption and scandal are risks associated with casinos.						
<i>Support</i>	64	5.55	2.20			
<i>Do Not Support</i>	67	7.55	1.22			
<u>Independent Sample Test</u>				-6.629	129	.000*
Policy-makers need to work hard to ensure policies result in improvements for casino operations and for local people.						
<i>Support</i>	64	7.41	.95			
<i>Do Not Support</i>	67	5.82	2.53			
<u>Independent Sample Test</u>				4.706	129	.000*

Bibliography

Books

- Allen, J.L., *Conceptual Block Busting*, San Francisco, W.H. Freeman, 1974.
- American Psychiatric Association, *Diagnostic Criteria from DSM-IV*, Norton & co., Washington, 1994.
- Ammar Siamwalla. 1997. "Can a developing democracy manage its macro economy? the case of Thailand," a lecture delivered at school of policy studies, Queen's University, Ontario, Canada.
- Anand Anantakul, *Thai Local Government History*, Phare Pittaya, Bangkok, 1978.
- Australian Institute for Gambling Research, *Study of the Social and Economic Impacts of New Zealand Casinos*, University of Western Sydney, 1998.
- Ball, A G., 'The nature of rural development', in *Priorities in Rural Development*, University of Guelph , Ontario Agricultural College, Ontario, 1974.
- Bangkok Poll Institute, 21st -22nd December 2001, cited by 'Casino for Thailand: Sooner or Later'.
- Basadur, M., *Creative Problem-solving*, Toronto, Centre for Research in Applied Creativity, 1989.
- Bertrand, A.L. 'Definitions and Strategies of Rural Development', in *Sociologia Ruralis*.12, 1992.
- Birch, *Concept & Thesis of Modern Democracy* (2nd ed.), Taylor & Francis Group, New York, 2001.
- Blevins, Audie and Jensen, Katherine, 'Gambling as a Community Development Quick Fix', *The Annals of the American Academy of Political and Social Science ; Gambling : Socioeconomic Impacts and Public Policy*, USA Print, Pennsylvania, 1998.
- Bos, Richard, 'Taxed to Death', *International and Wagering Business*, (October) 1996.
- Bower, M., 'Innovation in an Organisation,' in G. A. Steiner (Ed.), *The Creative Organisation*, Chicago, The University of Chicago, 1965.
- Brain White, Richard Little and Michael Smith, *Issues in World Politic*, Macmillan Press, New York, 1997.
- Broadwell, M.M., *The New Supervisor*, Massachusetts, Addison-Wesley, 1972.
- Buck, A.J., Hamkin, S., and Spiegel U., 'Casinos, Crime, and Real Estate Values : Do They Relate?', *Journal Research in Crime and Delinquency*, Vol.28, No.3, 1991.
- Burkey, S., *People First: A Guide to Self-reliant, Participatory Rural Development*, Atlantic Highland, New Jersey ,1993.

- Burton, J.W., *Conflict Resolution and Prevention*, New York, St. Martin Press, 1990.
- Campbell, C.S. and Smith G.J., 'Canadian Gambling: Trends and Public Policy Issues', *The Annals of the American Academy of Political and Social Science; Gambling: Socioeconomic Impacts and Public Policy*, USA Print, Pennsylvania, 1998.
- Cammack, P., 'Democratization and Citizenship in Latin America,' Parry G. and Morann, M. (eds.), *Democracy and Democratization*, Routledge, London, 1994.
- Chantharasombun, Amorn, *Khonsatitiwchannalism (Constitutionalism) thang ok khong prathet thai* [Constitutionalism: Way out for Thailand], Bangkok: Institute of Public Policy Studies, 1994.
- Chayabutra, C., *Local Government in Thailand*, Local Affair Press of Local Administration, Bangkok, 1997.
- Chesney-Lind, Meda, and Ian Lind, 'Visitors Against Victims: Crimes Against Tourists in Hawaii', *Annual of Tourism Research*, 1986, 13: 167-191.
- Christiansen, E., and Brinkerhof, J., 'Gambling and Entertainment', *Gambling: Public Policies and Social Sciences*. USA Press, Reno, 1997.
- Christiansen, Eugene M., 'Gambling and the American Economy', *The Annals of the American Academy of Political and Social Science; Gambling: Socioeconomic Impacts and Public Policy*, USA Print, Pennsylvania, 1998.
- Chusak Thiangtrong, *The Administration of Local Government in Thailand*, Bangkok, Silkroad, 1995.
- Cobot, Antony, Thompson William and Tottenham Andrew, *International Casino Law*, Reno, Harper Publishers, 1993.
- Connell, J., *The End of Tradition: Country Life in Central Surrey*, Routledge and Kegan Paul, London, 1978.
- Cornish, D.B., *Gambling: A Review of the Literature and its implications for Policy and Research*, Silkroad Publisher, New York, 1978.
- Copp, J. H., 'Rural Society and Rural Development', *Rural Sociology*, 37, 1972 .
- Couger, J.D., *Creative Problem-solving and Opportunity Finding*, Danvers, Boyd & Fraser Publishing, 1995.
- Daungjai Chareonmaung, 'Look at Previous days of Chiang Mai', *Lanna's Newsletter*, Social Science Institute, Chiang Mai, November 1995.
- Dasses, H., *Montagnards, Revolts et Guerres Revolutionaries en Asie du Sud-Est Continentale*, D.K. Book House, Bangkok, 1976.
- Department of Internal Affairs, New Zealand, *A Submission to the Committee to Evaluate Casino Operations in New Zealand*, 1988.
- Department of Internal Affairs, New Zealand, Wellington, *Report of the Committee of Enquiry into the Establishment of Casinos in New Zealand*. 1989.

- Department of Internal Affairs, New Zealand, *Reviewing of Gambling: A Discussion and Document*, Wellington. 1995.
- Department of Internal Affairs, New Zealand, *A Submission to the Committee to Evaluate Casino Operations in New Zealand*, 1998.
- Department of Internal Affairs, *Review of Gaming: A Discussion Document*, Department of Internal Affairs, Wellington, 1995.
- Dunleavy, P. & O'Leary, B., *Theories of the State*, Macmillan, London, 1987.
- Dunstan, Roger, *Gambling in California*. [Http://www.library.ca.gov/crb/97-03/chapt9.html](http://www.library.ca.gov/crb/97-03/chapt9.html).
- Eadington, William R., 'The Casino Gaming Industry: A Study of Political Economy', *The Annals of the American Academy of Political and Social Science; Gambling : Views From The Social Sciences*, USA Press, Pennsylvania, 1984.
- Eadington, William R., *Casino Gaming: Origin, Trends and Impacts*, University of Wisconsin, New York, 1995.
- Eadington, William R., 'Contributions of Casino-Style Gambling to Local Economic', *The Annals of the American Academy of Political and Social Science; Gambling: Socioeconomic Impacts and Public Policy*, USA Print, Pennsylvania, 1998.
- Einstein, A. *Thinking and Problem-solving*, New York, McGraw-Hill, 1953.
- Evans, J.R., *Creative Thinking*, Cincinnati, South-Western Publishing Co., 1991.
- Fabian, J., *Creative Thinking and Problem-solving*, Chelsea, MI: Lewis Publishers, 1990.
- Ferguson, J., *The Anti-Politics Machine*, Cambridge University Press, Cambridge, 1990.
- Follet, M.P., 'Constructive Conflict,' in H.C. Metcalf and Urwick, L. (Eds.), *Dynamic Administration: The Collected Papers Of Mary Parker Follet*, New York, Harper, 1940.
- Frey, H. James (ed.), *The Annals of the American Academy of Political and Social Science: Gambling: Socioeconomic Impacts and Public Policy*, USA Print, Pennsylvania, 1998.
- Gazel, Ricardo, 'The Economic Impacts of Casino Gambling in State and Local Levels', *The Annals of the American Academy of Political and Social Science; Gambling: Socioeconomic Impacts and Public Policy*, USA Print, Pennsylvania, 1998.
- Geschka, H., *Methods and Organisation of Idea Generation*, New York, Greensboro Publisher, 1979.
- Glassman, E., *Creativity on the Job*, New City, Glassman, 1987.
- Grant Hewison, *A Power of General Competence - Should be granted to Local Government*, New Zealand Local Government Monograph Series 001/01, August 2001.
- Goodman, Robert, *The Luck Business*, Triangle, New York, 1995.

- Gordon, W.J.J., *Synerctics: The Development of Creative Capacity*, New York, Collier, 1961.
- Hamilton, H.R., 'Screening Business Development Opportunities,' *Business Horizons*, August 1974.
- Harrah's Entertainment, Inc., *Harrah's Survey of Casino Entertainment*. Harrah Press, Reno, 1996.
- Harris, R., 'Communications and the rate support grant process,' *The Linkage*, MacMara, New York, 1978.
- Haroy, J.E. and Satterthwaite D (eds.), *Small and Intermediate Urban Centres*, London, 1993.
- Hette, B., *Development Theory and the Third World*, SAREC Report No.2(1982), SAREC, Stockholm, 1982.
- Holmes, F.L., reported in *Notebooks of the Mind*, by John-Steiner, V, Albuquerque, New Mexico, University of NM Press, 1985.
- Ife, J., *Community Development*, Longman , Sydney Print, 1995.
- International Chiefs of Police, cited by Miller W.J. and Schwartz M.D., 'Casino Gambling and Street Crime', *The Annals of the American Academy of Political and Social Science ; Gambling : Socioeconomic Impacts and Public Policy*, USA Print, Pennsylvania, 1998.
- Janis, I.L., and Mann, L., *Decision Making*, New York, The Free Press, 1977.
- Jones, G.W., & Stewart, J., *The Case for Local Government*, (2nd edition), George Allen & Unwin, London, 1985.
- Kindt, John W., 'Follow the Money: Gambling Ethics and Subpoenas', *The Annals of the American Academy of Political and Social Science ; Gambling : Socioeconomic Impacts and Public Policy*, USA, Print, Pennsylvania, 1998.
- King, L.T., *Problem-solving in a Project Management*, Toronto, John Wiley & Son, 1981.
- Krugman, Paul. 1994. "The Myth of Asia's Miracle," *Foreign Affairs*, 73: 6 (Nov.-Dec., 1994): 62-78.
- Komai, H., 'Does Strengthening of Intermediate Cities Lead to the Alternative Development?' *Unpublished Paper*, 1999.
- Larmour P., & Qalo R., *Decentralisation in The South Pacific*, Fiji Time Ltd., Suva, 1985.
- Lak off, S., *Democracy: History, Theory, Practice*, Westview Press, Colorado, 1996.
- Lavelnu, Louis, *Voters Deal Loss to Casinos: Gambling Backers Lose Despite \$16.5 Million Campaign*, USA, New York, 1994.
- Lesieur, Henry, 'Costs and Treatment of Pathological Gambling', *The Annals of the American Academy of Political and Social Science; Gambling: Socioeconomic Impacts and Public Policy*, USA Print, Pennsylvania, 1998.

- Lumb, R., 'Communication with Bureaucracy: the Effects of Perception on Public Participation in Planning' in R. Grillo, (ed.), *National and State in Europe*, Academic Press, London, 1980.
- Lyles, M.A. and Mitroff, I.I., 'Organisational Problem Formulation,' *Administrative Science Quarterly*, Vol.25, 1980.
- Maier, N.R.F., *Problem-solving and Creativity in Individuals and Groups*, Belmont, Brook/Cole, 1970.
- March, J.G., & Simon, H.A., *Organisations*, New York, Wiley, 1958.
- Martinez Cobo, Jose, *Study of problem of Discrimination against Indigenous Populations*, : United Nation, Geneva, 1986.
- Miller, W.C., *The Creative Edge*, New York, MA: Addison-Wesley Publishing Co., 1987.
- Ministry of Interior and Australian International Development Assistance Bureau. *Regional Cities Development Project II. Feasibility Study Vol. 1*. Bangkok. 1997.
- Mitchell, C.R. and Banks, Michael, (Eds.), *The Handbook of Conflict Resolution: The Analytical Problem Solving Approach*, London, Pinter, 1996.
- Moody, G., 'The Roots, Significance, Value, and Legalisation of Gambling', *Journal of Gambling study*, 1995.
- Moore, L.B., 'Creative Action - The Evaluation, Development and Use of Ideas,' in Parnes, S.J. and Harding, (eds.), *A Sourcebook for Creative Thinking*, New York, Scribner, 1962.
- Moser, C., 'Gender Planning in the Third World: Meeting Practical and Strategies Gender Needs', *World Development*, Vol.17, November 1989, p. 1815.
- National Economic and Social Development Board, *Seventh National Economic and Social Development Plan*, Office of Prime Minister, Bangkok, 1990.
- National Economic and Social Development Board, *Eighth National Economic and Social Development Plan*, Office of Prime Minister, Bangkok, 1995.
- National Economic and Social Development Board, *Ninth National Economic and Social Development Plan*, Office of Prime Minister, Bangkok, 2000.
- National Statistics Office, Office of the Prime Minister. 1992, *Statistics Year Book, Thailand*, No 38.
- Nayak, P.R., and Ketteringham, J.M., *Break-thoughts*, New York, Rawson Associates, 1986.
- Nelson, N., & Wright, S., *Power and Participatory Development*, London, Intermediate Technology Publications, 1995.
- Nelson, Rose I., 'The Rise and Fall of The Third Wave: Gambling Will Be Outlawed in Forty Years', *Gambling and Public Policy: International Perspectives*, Kingdom Publishing, Reno, 1991.
- 'Nevada Problem Hard to Measure', *Reno Gazette Journal*, Vol. 4, 1991.

- Noranitipadungkorn, C. and Hangensit, C., *Modernising Chiang Mai*. Bangkok, 1993.
- Office of the Prime Minister, Income Upgrade, Office of the Prime Minister, Bangkok (Draft Document), 1998
- O'Rourke, P.J., *The Castle Technique: How to Achieve Group Consensus in a Very Short Time With No Argument*, Lyons, Steamboat Valley Press, 1984.
- Palmer G, 'Local Government, the Constitution and the Future', in McDermott, Forgie, Howell (eds), *An Agenda for Local Government*, Palmerston North, Massey University, 1996.
- Panumart, A., 'The Development of Cities in the Northern Region', *Political Science Review*, Series No.6. 1995.
- Parnes, S. J., 'Can Creativity Be Increased?' *A Sourcebook for Creative Thinking*, New York, Scribner, 1962.
- Pasuk Phongpaichit, Sungsidh Piriyarangsarn and Nualnoi Treerat, *Guns, Girls, Gambling, Ganja: Thailand's Illegal Economy and Public Policy*, Chiang Mai, Silkworm, 1998.
- Paul, James C.N., 'International Development Agencies, Human Rights and Human Development Projects', *Denver Journal of International Law and Policy*, 17: 67-120, 1988.
- Prathan Kongrithisaksakorn, Local Government: *Pattaya City*, Provincial Office, Chonburi, 1990.
- Prayad HongThongkam and Anand Katwong, *Capability of Local Government in Community Development : Role of Municipality*, Bangkok, ThaiWattana Panit, 1991.
- Prime Minister's Office, *Report of the National Committee on Local Administration Restructure*, 1992.
- Pruitt, D.G. & Rubin J.Z., *Social Conflict: Escalation, Stalemate and Settlement*, New York, Random House, 1986.
- Rahman, M.A., *People's Self-Development*, The University Press Limited, London, 1993.
- Rhodes, R.A.W., *Central-Local Relations*, The Layfield Committee Report, 1980.
- Robert J.L.(ed.), 'Decentralisation in New Zealand Government Administration,' *Study in Public Administration No. 7*, Oxford University Press, London, 1961.
- Ruland, J., *Local Association and Municipal Government in Thailand*, Arnold-Bergstraesser Institut, Freiburg, 1993.
- Ruland, J.,(ed.), *Urban Government and Development in Asia : Reading in Subnational Development*, Munchen/Kolm/London, 1988.
- Ruland, J., *Urban Government and Development in South East Asia, Regional Cities*, Boulder, 1992.
- Ruland, J., *Urbanisation, Municipal Government and Development in a Regional City: The Case Study of Chiang Mai, Thailand.*, Hamburg, Western Publishers. 2000.

- Sakon Varanyuwatana, *Local Government Finance and Bond Market Financing in Thailand*, Thammasat University, Bangkok, 2001.
- Schneider, P., J. Schneider and E. Hansen, 'Modernisation and Development: The Role of Regional Elites and Noncorporate group in the European Mediterranean', in *Comparative Studies in Society and History*, 14, 1972.
- Siengtienchai, C., *The Development of Regional Cities: Some Observations from Chiang Mai*, 1992.
- Shihata, Ibrahim, 'The World Bank and Human Rights: An Analysis of the Legal Issues and the Record of Achievements', *Denver Journal of International Law and Policy*, 17 :39, 1988.
- Smith C.G., *Conflict Resolution: Contribution of Behavioral Sciences*, University of Notre Dame Press, London, 1972.
- Smith B.C., 'Measuring Decentralisation,' *New approaches to the Study of Central-Local Government Relationships*, G.W.Jones (ed.), Biddle Ltd., Hauts, 1980.
- Social Research Institute, Chiang Mai University. *Proceedings of a Seminar on the Development of Regional Cities in Northern Thailand: Problem, Obstacles and Alternative in Future Development*, Chiang Mai, SRI, 1999.
- Stewart, J., *Local Government: The Conditions of Local Choice*, Allen & Unwin, London, 1983.
- Sumathi,N.R., *Casino Gaming in Northern Wisconsin*, Western Press, Wisconsin, 1994.
- Suruyamane, Chankanit, *The Establishment of Casinos in Thailand: Trends and Impacts*, Bangkok, Thammasart University, 1981.
- Taupoon, Chat, *A Man Called 'Chat'*, Bangkok, Sairung, 2000.
- Tannenbaum, R., Schmidt, W.H., 'How to choose a Leadership Pattern', *Harvard Business Review*, 1958.
- Taylor, C.W., 'Panel Consensus Technique: A New Approach to Decision Making,' *Journal of Creative Behaviour*, Vol.6, 1972.
- Thanongsak Thinsinuan, *Law of Gambling*, Bangkok, Phare Pittiya, 1986.
- The Office of Ministry of Interior, *2000 Census*, Cited by Palang Pachakorn, *Thai News*, 16th December 2001.
- Thompson, J.D. and Tuden, A., 'Strategies, Structures, and Process of Organisational Decisions', *A Comparative Study in Administration*, Pittsburgh, University of Pittsburgh Press, 1959.
- Thompson, W.N., Gazel, R. and Rickman, D., *The economic Impact of Native American Gaming in Wisconsin*, Western Press, Wisconsin, 1995.

- Thompson, William N., Gazel, Ricardo and Rickman, Dan, *Casinos and Crime in Wisconsin*, Goeff & son, Wisconsin, 1996.
- Tillet, G.J., *Resolving Conflict*, Sydney, Sydney University Press, 1991.
- United Nations General Assembly Records, *Summary Records of the Ad hoc Political Committee*, United Nations, New York, 1949.
- U.S. House, Committee on Small Business, *The National Impact of Casino Gambling Proliferation: Hearing Before the House Committee on Small Business*, 103d Cong., 1994.
- Uthai Hiranyato, *Local Government*, Siam Printing, Bangkok, 1994.
- Van De Slik, Jack, 'Legalized Gambling Predatory Policy', *Illinois Issues*, 1991, (Mar:10).
- VanGundy, A.B., Jr., *Techniques of Structured Problem-solving*, New York, Van Nostrand Reinhold Co., 1988.
- Walton, R.E., and McKersie, R.B., *A Behaviour Theory of Labour Negotiations: An Analysis of A Social Interaction System*, 1965, New York, McGraw-Hill.
- Warr, P.G., 'Thailand's Macroeconomic Miracle: Stable Adjustment and Sustained Growth', The World Bank, Washington D.C., 1996.
- Weidner, Edward W., *American City Government*, New York, Plan Published, 1991.
- Whetten, D.A., Cameron, K., and Woods, M., *Effective Problem-solving*, London, HarperCollin Publishers, 1996.
- Whiting, C.S., *Creative Thinking*, New York, Van Nostrand Reinhold, 1958.
- Yepsen, David, 'Lugar to Accent Gambling's Cost', *Des Moines Register*, 1995.
- Yin, Robert K., *Case Study Research, Design and Methhods* (3rd Ed.), London, Sage Publication, 2003.
- Yukl, G.A., Malone, M.P., Hayslip, B. and Pamin, T. A., 'The Effects of Time Pressure and Issue Settlement Order On Integrative Bargaining,' *Sociometry*, Vol 39, 1976.

Newspapers

Bangkok, Chulalongkorn University, Vol.39 December 1997, pp.1-4.

Bangkok Post, 24 September 1996, pp.1 and 13.

Boonsuwan, Kanin. 'Casino, whose benefit?', *Siamrat Weekly Mail*. (May 1990).

'Casino is Coming,' *Thairath*, 20th December 2001, pp. 1, 17

'Casino Establishment : True or False,' *Thairath*, 21st December 2001, pp.1,11.

'Casino's Discussing,' *Thairath*, 22nd January 2002, pp.1, 14, 19.

'Host Responsibility Programme in Place', *Waikato Business News*, August 2002, p.19.

'Lanna Newsletter,' *Thai News*, 24th December 2002, p. 5.

Lynch, April, 'All Bets Are Off', *Mother Jones*, August 1997.

Web sites

http://www.bot.or.th/BOTHomepage/General/PressReleasesAndSpeeches/Speeches/english_version/Governor&DeputyGovernor/BOTGvnspeech_BCCT.pdf, 29th June 2005

<http://www.chula.ac.th/INSTITUTE/IPS/thai2002.htm>, 20th May 2004

<http://www.countrystudies.us/thailand/78.htm>, 28th June 2004

<http://www.glo.or.th>, 15th June 2001

<http://www.library.ca.gov/crb/97-03/chapt9.html>

<http://www.kpi.ac.th/en/kpi03-1-res-03.asp>. 22nd June 2005.

<http://www.nesdb.go.th>, 20th August 2003

http://www.THA_Report.pdf, 11st November 2002

<http://siteresources.worldbank.org/INTTHAILAND/Resources/Thailand-CAS/Partnership-2003/context.pdf>, 1st July 2005

http://www.thailandoutlook.com/main_sector/government/govern/the1_7.asp, 2nd August 2003

<http://www.thairath.co.th>, 25th December 2001.

<http://www.thairath.co.th>, 26th December 2001

<http://www.usescap.org/tctd/gt/files/thailand2001.pdf>, 8th August 2003

Legislation - Thailand

Municipal Act, 1953, Article 62.

Municipal Act 1993, Article 40.

Municipal Act 1991, Article 16, 17.

Municipal Act 1991, Article 39-40.

Municipal Act, 1953, Article 62.

Municipal Act 1955, Article 71. Article 73.

Municipal Act 1983, Article 69.

Municipal Act 1983, Article 69.

Public Administration Act of 1991, Article 70, 1991

Interviews Were Held with these Following People

Chanida Puttapuan

Club for Chiang Mai Secretary, 2nd January 2002.

Jakkawan Wannawong

Member of the Municipality, 17th January 2002.

Komkij Chantawat

Ex-Deputy Mayor, Chiang Mai 18th -19th December 2001.

Manat Sirimaharaj

Duty Mayor, Chiang Mai 11th January 2002.

Pakorn Buranupakorn

Mayor, Chiang Mai 14th January 2002

Prapan Buranupakorn

Chiang Mai MP, 9th January 2002.

Project Manager of the Non-government Officer

Club for Chiang Mai, 28th December 2001.

Sunich Thammawich

Club for Chiang Mai's field worker, 6th January 2002.

Tawatchai Sriboonruang

Member of the Municipality, 12th January 2002.

Thanet Charoenmaung

Chiang Mai University Lecturer, 18th January 2002.

Thanun Anumanchathon

Chiang Mai University Lecturer, 10th January 2002.

Therapon Boonsuwan

Leader of Community Forest Project, 25th December 2001.

Wanintra Sukchat

Member of the Municipality, 21st January 2002.