

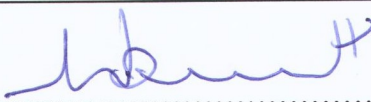
**INTEGRATED BUDGETING IN THAILAND: A CASE STUDY
OF THE NARCOTIC INTEGRATED BUDGET PLAN**

Jaroowan Wichayaapa


**A Dissertation Submitted in Partial
Fulfillment of the Requirements of the Degree of
Doctor of Philosophy (Development Administration)
School of Public Administration
National Institute of Development Administration
2018**


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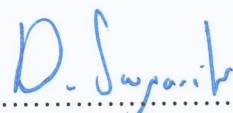
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ABSTRACT

Title of Dissertation	Integrated Budgeting in Thailand: A Case study of the Narcotic Integrated Budget Plan
Author	Miss Jaroowan Wichayaapa
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This study aims to provide information on an integrated budgeting plan in Thailand detailing the planning and implementation of development and its challenges, with an attempt at making the concept of integrated planning less impervious by exploring contemporary meanings and mechanisms of integrated planning for a Thailand Narcotic Integral Budgeting Plan. This study attempts to explore the concept that uses an integrated policy for Thailand through a case study of the Narcotic Integrated Budgeting Plan. The effort also covers the effectiveness and efficiency of the current Integrated Budget Plan, as well as key successful factors, challenges and possible ways to improve on the practice. Furthermore, the study aims to provide available information on the application of integrated budgeting management, together with an overview of the literature on the concept of policy integration and related key concepts. Based on these concepts, knowledge of facilitators and inhibitors of policy integration are discovered. The conclusion reflects on the level of ambition when integrating policies. Since there are few studies in the field of policy integration, more case studies can clarify examples for authorized decision-makers or authorized management representatives, scholars, researchers and other readers who are interested in this field, to help them understand the situations and lessons learned for both academic and policy related purposes.

The study of the Narcotic Integrated Budgeting Plan uses available data from fiscal year 2017 to 2018 and deploys mixed research methodology. Questionnaires were distributed to a target population of 279 related government officials to explore

linkages and related factors regarding the effectiveness of their budget policy. Then the study uses in-depth interviews focused on the relationship between the uses of Strategic Performance Based Budgeting on Integrated Budget via the case study of the Narcotic Integrated Plan in Thailand in order to find evidence that the Strategic Planning Based Budgeting System (SPBBS) can strengthen the efficiency and effectiveness of implementation on the Integrated Budgeting Plan at government executive levels. The findings offer a new model for conceptualizing and evaluating integrated planning approaches that have been using Thailand's Integrated Budgeting. Overall, this research indicates strong awareness and intent to apply strategic management with an integration budgeting plan model (IBPI) with the intention that this new understanding of an integrated planning model may have broader applicability to similar contexts in Thailand with federated political systems. Therefore, the efficiency of the IBPI model that links to the outcome delivery on a national strategy level can be measured against the long-term budgeting plan. IBPI outlines the evaluation methods employed and then the main characterizations of integrated planning as integrated tools in Thailand's budgeting. The paper concludes by highlighting some challenges to advancing the integrated budgeting plan through strategic policies and performance government budgeting.

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CHAPTER 1

INTRODUCTION

1.1 Overview

Budgeting is taken into account as one of the foremost necessary and powerful instruments for economic policy implementation, from prioritizing, generating applicable allocations, securing the steadiness of economic health, up to influencing the economy in an essential and full review. Without losing its control and accountability mechanisms, modern budgeting can better support performance management by integrating known financial outcomes with frequent re-forecasting of the budget linked to analysis of performance trends. A government's financial performance and management reporting systems draws on a number of information sources and reflects a range of stakeholders and departmental perspectives.

The purpose of the budget is to turn plans and goals into reality. In the public sector, the budget is one of the contracts that government promises to its citizens in order to show how resources will be collected, together with what and to whom the resources shall be allocated in the form of public goods and services. Budgeting consists of work at every government level, however, once the national budget is set, it can be the compass to direct what is expected from the direction of the government. The right kind of budgeting can effectively deliver expected results as they already have considered the plan. Normally, government will set its long term national strategic plan and derive from it a medium term plan, together with an annual action plan that can determine costs and act as a connection point for all of the costs into a total budgeting plan.

Budget expenditure plans are important tools of the government for implementing public responsibilities. Budget allocation for the fiscal year reflects the direction of the government administration, which follows the philosophy of a sufficiency economy, especially the strategic result-based budgeting which connects

operations of government offices, state enterprises and other state agencies in an efficient and systematic integration to achieve the government's policy framework on the principles of transparency, fairness, economizing and efficiency to maintain country stability.

In fact, each country has its own framework of a budgeting system, as there are different patterns together with complex circumstance that need to be addressed. Therefore, budgeting factors and their contributions are important to study for understanding the purpose of existing models in order to decide whether the current budget is compatible with the surrounding situations, while maintaining the ability to serve budgeting international standards or make adjustments for more effective results.

There are a variety of approaches to develop the performance metrics and the reporting of performance, but without integration of the financial resources utilized, government agencies cannot measure value for money or make informative choices about future resourcing and service priorities. One way in which annual operational performance and financial information can be integrated more closely is to develop a system which encourages the issues to be considered together and then develop management reports that provide a complete picture of the cycle.

The best management reports have details concerning what has happened and what is expected to happen in the future. The accounts and reports provide the information needed to take any corrective action required. Such action needs to take place for the agency as a whole, hence, it is important for all areas to be covered. It is the implication that the operational data and financial data are presented together in a comparable and consistent form. It also implies that risk and other aspects of performance are reported along with the financial headlines. The risks are thus quantified financially and with certainty in the financial forecasts, which are made explicit. Some firms have found that it is helpful to present a regularly updated board-level report of risks and opportunities, in which the main possible financial upsides and downsides are shown alongside each period's forecasts. This permits focus on a range rather than a spot forecast.

Where big deviations from the narcotics budget have occurred, it may be necessary to formulate and report on a recovery plan alongside the routine budget profile. Getting the reporting framework right is critically important so that the Board

has the full picture on which to base its decisions. It also ensures that every agency is considering issues within the context of a consistent reporting template and using consistent language. In a management aspect, it brings the benefit of a common framework for reporting that can enhance co-operation between the operational managers and the finance function.

Furthermore, an integrated budget can be stated as an important element to construct trust for the government and its citizens. Therefore, the budget should be constructed with the principle of governance which is a combination of integrity, openness, participation and accountability, together with a strategic approach to plan and achieve national objectives that is applied to all government levels.

1.1.1 Thailand Overview

According to the World Bank, Thailand is an upper middle income level country which is still classified as a developing country. As in all middle income level and developing countries, it goes without saying that they are trying to acquire the status to be a high income level, developed country and avoid being stuck at the middle income level, or looping in the middle income trap that many developing countries have encountered. Thailand's economy grew at an average annual rate of 7.5% in the boom years of 1960 to 1996 and 5% following the Asian financial crisis during 1999-2005, creating millions of jobs that helped push millions of people out of poverty. Gains along multiple dimensions of welfare have been impressive as more children are now getting more years of education, and virtually everyone is now covered by health insurance while other forms of social security have expanded. After average growth slowed to 3.5% over 2005-2015, with a dip to 2.3 % in 2014-2016, Thailand is now on the path to recovery. Economic growth reached 3.9% in 2017 with the best growth performance since 2012, it was also expected to expand further with 4.1% in 2018. While the development of growth sustainability is going on, the part of welfare for citizens and national security is the next concern. Many agendas, such as national security, growth and competitive advantage are issues calling for more than one government agency to carry out, and thus needs the cooperation of multiple government agencies working together, so the concept of integrated plans has been brought up.

Thailand's economy in 2017 was expected to increase to the rate of 3.5-4.0 percent, after its growth rate of 3.2 percent in 2016. Primary supporting factors included:

- 1) Recovery of exports consistent with advantageous adjustments in partners' economies and prices of supplies in the territory markets.
- 2) Development of public sector investments at a high level and accelerated movement.
- 3) Positive deviations in agricultural production and prices of agricultural supplies.
- 4) Expansion of the tourism sector contributing to continued support to the economy.
- 5) Improving adjustments in the domestic automobile market.

However, economic growth continues to face a constraint on the comparatively low utilization rate of the production sector. Poignant expansion continues within non-public sector investments. Additionally, there are unit risk factors from the volatility of capital movements and exchange rates, implementation of measures and major policies of the U.S., and therefore, the continued recovery of oil costs and the cost of commodities within world markets. Relating to economic stability during satisfactory conditions, the rate of inflation is predicted to vary between 0.4-0.9 percent, whereas employment is on a rising trend congruent with the recovery of the production sector, and therefore, the accounting balance is in surplus at more or less 9.7 percent of the Gross Domestic Product (GDP). For the year 2018, Thailand's economy was predicted to expand at the rate of 3.3-4.3 percent, a continued growth from the year 2017. Supporting factors embody the export growth of products and services in accordance with the improved condition of the world's economy and trade in conjunction with the continued enlargement of domestic demand following the progress of the government's necessary infrastructure investment. Additionally, recovery in investments in the non-public sector has become increasingly apparent and continues to expand at a better rate, whereas home defrayment has shown signs of continued enlargement in accordance with the recovery of the export and business sectors, which therefore brings normalcy to the agricultural sector. Moreover, economic stability continues to be in satisfactory

condition. The rate of inflation is predicted to be within the variation of 1.5-2.5 percent, whereas this account balance is on a surplus aspect at more or less 7.6 percent of value.

1.1.2 Policy Integration

According to the UNDP Integrated Planning & Sustainable Development: Challenges and Opportunities Synthesis Report, policy integration issues over the management of cross-cutting problems in political issues that transcend the boundaries of established policy fields typically do not correspond to the institutional responsibilities of individual departments. In the educational literature, many disciplines address policy integration, though not continually referring to this specific term. A selection of alternatively connected (and typically synonymous) terms include ideas such as policy coherence, cross-cutting political, conjunct decision-making, policy consistency, holistic government, joined-up government and, most particularly, policy co-ordination. These ideas are units developed at intervals, such as those on inter-organizational co-operation and coordination, collaboration, intergovernmental management and network management. So as to boost understanding of thoughts on policy integration, this paper reviews and compares these numerous ideas and theories and relates them to the difficulty of policy integration. Concerns of abstract clarity on the thought of policy integration is the 1st objective of this paper. The literature conjointly discloses a wealth of fabric regarding facilitators and inhibitors of policy integration, synthesizing these facilitators and inhibitors of policy integration is the second objective of this paper.

Globally, there has been a growing interest in integrated planning approaches over recent decades. International agencies such as the UNDP try to raise awareness of a global environment that needs contributions from various countries to carry on. Sustainable development goals (SDGs) are a new, universal set of goals, targets and indicators that UN member states will be expected to use to frame their agendas and political policies over the next 15 years. The SDGs follow and expand on the millennium development goals (MDGs), which were agreed to by governments in 2001 and are due to expire at the end of this year.

There are increasing calls for greater policy integration from a number of areas, one of the most prominent being environmental policy-making, where integration is

frequently recognized as the key element for sustainable development. A wide variety of sectional policies turn out to have unexpected and often unwanted environmental consequences (or externalities) that were not taken into account in the process of policy-making. Calls have been made to avoid such fragmented decision-making by integrating different, yet interrelated policies.

These calls are coming at a time when decision-making is facing increasing complexity as a result of various concurrent trends. Some of these trends are toward globalization and greater centralization of decision-making, while other trends are toward fragmentation and decentralization of decision-making. A variety of factors have increased the number of actors involved in the policy process, such as the emergence of the information society, greater emphasis on public participation and the increasing role of non-governmental agencies, pressure groups and agencies in the decision-making process. All these developments make policy integration increasingly difficult but more compelling to achieve.

Policy integration concerns the management of cross-cutting issues in policy-making that transcend the boundaries of established policy fields, as they often do not correspond with the institutional responsibilities of individual departments. In the academic literature, several disciplines address policy integration although they do not always refer to this particular term. A variety of other related (and sometimes synonymous) terms are used, such as policy coherence, cross-cutting policy-making, concerted decision-making, policy consistency, holistic government, joined-up government and, most especially, policy co-ordination. These concepts are developed within government agencies' theories, such as those on inter-agency co-operation and co-ordination, collaboration, intergovernmental management and network management. In order to improve understanding of the concept of policy integration, this paper reviews and compares these various concepts and theories and relates them to the issue of policy integration.

1.1.3 Integrated Budgeting in Thailand

The concept of policy integration is adapted by many governments in order to carry on their projects or national agenda that requires specialty and expertise from various agencies. Meanwhile, the management of a cross-sectional government or

integrated horizontal policy requires a proper approach to handle the joint coordination, which brings up the system of Integration Budgeting.

Although this concept has been used before in Thailand, it has only been set up as the national budgeting plan for a few years. In Thailand, Integration Budget Plan (IBP) has been started as a policy integration plan that combines many ministries to work toward the same goal in order to deliver the expected outcome since fiscal year 2016. IBP occurred in order to fulfill the gap of conjoining policy arrangements which involve a wide range of state government departments and agencies. It is complex and challenging to implement integrated planning. Attempting collaboration to deliver policy ends refers to cross-sectional measures and procedures by the government for solving problems in a coherent manner, which requires efficient coordination, together with improved cooperation between ministries.

This study focuses on analyzing Integration Budgeting in Thailand by using the narcotic integrated budget plan as a case study with the aim to understand the context of integrated budgeting in Thailand detailing its meaning, necessary factors and challenges that are needed to overcome. This analysis may have increased applicability to contexts in other countries with similar federated political systems. The study begins by outlining the methods employed and then presents the main characterizations of integrated budgeting as employed in Thailand by using in-depth interviews and document analysis to find the mechanism of IBP in Thailand while presenting the challenges that Thailand has to face. The paper concludes by highlighting some challenges to advancing integrated planning.

1.2 Statement of Problem

1) Implementing the policy, which applies to more than one agency to deliver the same goal, can be tricky. The goal has to be set properly, the direction and boundary of job descriptions needs to be clear; as well, the jobs distributed must be proper. Integrated Budgeting Plan (IBP) in Thailand was started only a few year ago with the attempt to reduce redundancy and get more efficient and effective ways to deliver government goods and services when there is the involvement of more than one agency. IBP is considered a new step in policy implementation development in Thailand. IBP

just became part of the national agenda in fiscal year 2017 due to the intention of government that integrated policy plans have very high priority in budgeting consideration because they emerged from a high rank agenda of government that needs more than one government agency to deliver the results. In fiscal year 2017 Thailand had 25 integrated policy plans for a budget of 704,197,368,900 baht, or around 21.2534 billion U.S. dollars, while in fiscal year 2018 there was an increase in the number to 28 plans for a budget of 942,805,575,700 baht, or around 28.4548 billion US\$. If the Integrated Budgeting Plan fails, then Thailand will have suffered the greatest loss in both time and budget, while the problems that need to be resolved from implementing the policy would still have not been solved. Subsequently, this concept has been growing as a high priority project with the significant size of the Thailand budget, which has caused many agencies to want to be a part of the operation, even though all of them might not be prepared for the outcome that government has highly expected. Moreover, there are still no intensive studies of the operation, difficulty and the possibility of improvement.

2) The need of proper implementation for an integrated policy plan is rising due to expansion of usage. Globally, there has been a growing interest in integrated planning approaches over recent decades. International agencies such as the UNDP try to raise awareness that the global environment needs contributions from various countries to carry out Sustainable Development Goals. Sustainable development goals (SDGs) are a new, universal set of goals, targets and indicators that UN member states will be expected to use to frame their agendas and political policies over the future years. Meanwhile, in each country, there are government agendas that need cooperation from many sectors and agencies in order to carry out their expected goals.

3) The difficulties of policy implementation in implementing an Integrated Budgeting Plan need to be explored. The problems of policy implementation generally occur regularly, especially with policies that involve more than one agency, as it could be more challenging to the policy executor, in this case, the Thailand Bureau of the Budget. The problems of policy implementation in multiple agency operations have the classic example of the Economic Development Agency (EDA) projects, which Pressman and Wildavsky have made their major contribution to the policy field (Pressman & Wildavsky, 1984, Implementation. 30.). Their study showed that

bargaining can lead to delays on implementation and failure of policy implementation due to disagreements on the best decisions in which to implement. Each participant wanted to implement the most appropriate program that was favorable to their own agency. In turn, bargaining consumed time and resources, causing delays in implementation. Therefore, the need for understanding the problems and preparing for the proper solution are necessary.

1.3 Significance of the Study

This study aims to provide information about an integrated budgeting plan in Thailand, detailing the planning and implementation, along with the development and challenges of attempting to make the concept of integrated planning less impervious by exploring contemporary meanings and mechanisms of integrated planning in the Thailand Narcotic Integral Budgeting Plan.

The study also focuses on the relationship between the uses of Strategic Performance Based Budgeting on an Integrated Budget via a case study of the Narcotic Integrated Plan in Thailand in order to find evidence that the Strategic Planning Based Budgeting System (SPBBS) can strengthen the efficiency, effectiveness of implementation of an Integrated Budgeting Plan and offer a framework for conceptualizing and evaluating integrated planning approaches, which have been used in Thailand's integrated budgeting. Overall, the research findings indicate strong awareness and intent to apply strategic management with integration budgeting plans with the intention that this localized understanding of integrated planning may have broader applicability to similar contexts in other countries with federated political systems. It begins by outlining the methods employed and then presents the main characterizations of integrated planning as employed in Thailand. The paper concludes by highlighting some challenges to advancing an integrated budgeting plan through strategic policy and performance budgeting.

1.4 Research Objectives

The paper is structured on the basis of these objectives. The second section presents an overview of the literature on the concept of policy integration and related key concepts. Based on these concepts, the third section presents knowledge of the facilitators and inhibitors of policy integration. The concluding section reflects on the level of ambition when integrating policies. Since there few studies in the field of policy integration, more case studies can clarify more examples for authorized decision-makers or authorized management representatives, scholars, researchers and other readers who are interested in this field in order to understand the situations and lessons to be learned, for both academic and policy related purposes, as follows:

1) Understand the existing context of integrated budgeting plans in Thailand and prospective challenges that Thailand has faced for a better position in dealing with complicated situations, together with preventing more severe problems for Thailand's government.

2) Understand the concept of applying strategic policy and performance budgeting for an Integrated Budgeting Plan, as they are systematically managed to be effective and efficient in order to achieve their goals and objectives.

3) Have insights about key success factors by using strategic policy and performance budgeting for an Integrated Budgeting Plan and providing the substantial principles to create the proper management of policy integration.

4) Provide insight of the ongoing situation of IBP in Thailand as a guide for finding the appropriate way to overcome some major challenges and potentially enhance effective management.

1.5 Research Questions

This study attempts to explore the concept that uses integrated policy through a case study of the Narcotic Integrated Budgeting plan. The effort also covers the effectiveness and efficiency of the practice for a current Integrated Budget Plan, as well as the key successful factors, challenges and possible ways to improve the practice.

Furthermore, the study also aims to provide available information of the application of integrated budgeting management, as in the following questions:

- 1) What is Thailand's Integrated Budgeting Plan and why does it need to be implemented?
- 2) What is the approach that Thailand uses for an Integrated Budgeting Plan and why?
- 3) How efficient and effective is the current practice that can contribute to an integrated budgeting purpose?
- 4) What are the factors that affect Integrated Budgeting performance in Thailand?

1.6 Scope of the Study

The study focuses on the management that Thailand is using for an Integrated Budgeting Plan using a case study of the Narcotic Integrated Budgeting Plan for the implementation and the attitudes from officers regarding its effectiveness and efficiency, together with key successful factors and challenges that have been going on for the current practice.

1.7 Definitions and Terms

Integrated Budgeting Plan (IBP)

In this study, Integrated Budgeting Plan focuses on integrated budget planning in Thailand that consists of budgeting from more than one ministry in order to deliver an outcome from government for its citizens.

Strategic Performance Based Budgeting System (SPBBS)

The budgeting that combines strategic management and performance budgeting that is used in Thailand's context.

1.8 Benefit of the Study

The finding in this study is a review of Thailand's integrated budgeting plan management which relies on the context of a Strategic Performance Based Budgeting System (SPBBS). The study can provide insight into the management and implementation of an integrated budgeting perspective from Thailand's current practice and point out the strengths and weaknesses of the implementation. There are also lessons learned in the context of the application in the integrated budgeting plan.

The reader will be able to utilize the findings or results for considering the management of integrated budgeting in Thailand, which has been operated with a focus on strategic management and defines the level of achievement by using performance management. As integrated planning has no concrete literature to rely on, the lessons learned and the experience of management could help policy makers and decision makers use this information to improve and develop a proper approach for efficiency and effective policy integration.

1.9 Summary

The budget is a major tool for the definition of public objectives and for quantifying the required data. Jones and Pendlebury (1992, pp. 50-51) study mentions that the budget is composed of listings of some functions. Those functions determine authorities' incomes and expenditures to assist decision-makers to make good decisions in their plans and policies, providing fundamental methods to control income and expenditures. As the budget provides the plan and authority, the integrated budgeting plan is provided to carry on the government's agenda of multiple agencies for delivering shared expected outcomes.

This study involves the management of an Integrated Budgeting Plan in Thailand which applies strategic planning and performance budgeting in principle. The study attempts to study the success factors, efficiency and effectiveness of this approach. Furthermore, the study inquires on the challenges and opportunities to improve on integrated budgeting by using a case study of the Narcotic Integrated Budgeting Plan. The study analyzes the perspective of Thailand's Bureau of the Budget

executives and officers, and the Office of The Narcotics Control Board (ONCB) senior officers who are key informants who have experience firsthand in managing and developing the Narcotic Integrated Budgeting Plan.

The findings in this study aims to provide the result of utilizing a Strategic Performance Based Budgeting System (SPBBS) as the framework for generating an Integrated Budgeting Plan (IBP). There are some challenges and some advantages of the principles by which lessons can be learned for policy makers and decision makers who are involved in similar circumstances of managing policy, as well as the insight needed for improving the current practice of Thailand's IBP.

The indication of this study involves a management perspective in that the outcome should be set as the ultimate goal and should be stable through a period of time which is long enough for the process of the policy to be complete and achieve the expected outcome, as well as a clear objective which should be settled by all the parties involved for the sake of efficient communication and cooperation. Long-term plans and medium-term plans which are coordinated within the period for the expected outcome are two of the requirements. The challenge of different budgeting providers and agency intensions, as well as the differences among agencies, needs to be settled. Meanwhile, those are only the key factors that involve integrated policy management, successful agencies carry out the policies for the expected outcomes, which are needed for further study, and which are involved with implementation within each agency, and other factors being explored.

Furthermore, IBP in Thailand has been operating for only a few years and there is some adjustment that needs to be done. The framework of SPBBS has operated under Thailand's circumstances, which the reader can use as an example for understanding; however, the following pattern will need to be adjusted for the best applicable usages.

CHAPTER 2

LITERATURE REVIEW

The strategy used for synthesizing the literature during this chapter was supported by examining alternative ways that would be used for government budget preparation. Existing donnish literature and research on the coverage of budget preparation for analysis functions was applied. As articles were evaluated, reviewing the reference sections of the articles selected assisted with the literature search for a ground theory to formulate an Integrated Budget Planning (IBP) model in Thailand.

Budgeting is one of the most widely studied topics in accounting and finance. This stems from the sheer range of branches of accounting and finance that budgeting serves, including financial planning, decision-making, responsibility accounting, performance mensuration, internal control and planning. Budgeting is argued to own many edges. Specifically, it's thought about to extend organizations' potency by enabling the design and co-ordination of activities, however conjointly, to push learning and management through comparisons of actual results to plans. However, budgeting has been viewed as terribly vital but lightweight, since the very start-up in business organizations. This criticism has two necessary reforms within the space of budgeting: first of all, efforts to alter the method of setting monetary fund goals in government organizations; and secondly, the fragmentation of budgeting, whereby varied management accounting ways complement or replace the annual traditional budgeting process.

Many analytical and experimental studies have been done to investigate numerous mechanisms which can scale back fund slack. Literature streams suggest that slack is diminished by suggesting that truth-inducing budget schemes, wherein subordinates are rewarded on the idea of their division's contribution to overall profits or through the use of constant taking into account each planning and performance analysis. Such upward bias associated with resource allocation gets balanced with the downward bias associated with the setting of performance targets or objectives.

However, since analysis of this type appears to offer simplified representations of complicated organizational realities, it should have limited relevance in the follow up. What is more, up-to-date literature on fund slack does not regard it as strictly dysfunctional, it has been found to be helpful in some strict conditions when executives need flexibility to fulfill non-financial goals, in contexts of innovation, and in operational units following a different strategy. This underscores the necessity to check budgeting in its organizational context.

Government budgeting is viewed as a wider idea than fund bias or slack. In this sort of dysfunctional behavior, executives manipulate the budgeting system either earlier, by making slack in budgets, or later, by using unexpended budgeted cash, deferring necessary expenditures, composing sales transactions close to period-end, or taking in a very dangerous budget year by advancing some expenditures in order that the subsequent year's budget is simpler to stick to, whatever the central government's design. It is noteworthy that some recent fund studies from the Budget Bureau office imply that government budgeting is not solely seen with the associated annual budgeting method; there is evidence that a new approach could emerge when government budget planning is examined.

2.1 Emerging Developments in Budgeting

Recent literature on new developments in budgeting has introduced plenty of new concepts, such as advanced budgeting, better budgeting, non-budgeting, and Beyond Budgeting (Bunce et al., 1995; Hope & Fraser 2003; Neely et al., 2003; Becker 2014). The ambiguity related to these various concepts indicates that the conceptualization of new budgeting practices is not well established. These terms can all be roughly divided into two categories: 'better budgeting' and 'non-budgeting', reflecting the idea of improving, or abandoning budgeting, respectively (Hansen et al. 2003).

In budgeting methods, organizations continue to use budgets for control purposes and derive considerable value from their use. Better budgeting includes such approaches as activity-based budgeting, zero-based budgeting, and value-based management, profit planning, rolling budgets, and rolling forecasts (Neely et al., 2003).

Bunce et al. (1995) associates the concept of advanced budgeting with the use of activity-based budgeting, which places it in the general category of better budgeting.

Becker (2014) uses the term ‘non-budgeting’ for a broad illustration of the practice of management control without budgets. He emphasizes the potential diversity of controls that fills the place left by budgets but still presumes that fixed or negotiated budget figures are no longer used for purposes of planning, resource allocation, and evaluation. Kaarbøe, Stensaker, and Malmi (2013) regards Beyond Budgeting as a specified template that falls under non-budgeting, whereas Ax and Bjørnenak (2005) see that ‘non-budget management’ is a subset of the Beyond Budgeting approach.

In the total picture, recent literature on new developments in budgeting has not been able to reach consensus on the meaning of better budgeting. For instance, non-budgeting is typically connected to abandonment of fixed targets (Becker 2014), a perspective that points backwards to a focus on the dysfunctional effects of the traditional performance evaluation role of budgeting. Such a research approach usually entails adopting strict ex ante definitions of non-budgeting or Beyond Budgeting and neglects users’ concepts of new methods related to budgeting.

2.2 Budgetary Theoretical Approach

2.2.1 Line-Item Budgeting

Line item budgeting was the first budgeting form with the most uncomplicated nature. Line item budgeting is considered to be the most popular form among all. With uncomplicated characteristics, line item budgeting is flexible and can be adjusted to the use of resources to match with expenditure levels, such as the use of fund function objects. Line item budgeting is also easy to describe in document form. Additionally, the preparation of the details in line item form is more comfortable, hence it has been used widely.

Organizational units and objects are used in the method for line item budgeting, this method helps the control and accumulation of the budget at each functional level. Line item budgeting uses the organizational unit and object as its method, which helps the authority to control and accumulate the budget at each functional level. Although line item budgeting comes with easiness and simplicity, information provided by this

form is too limited in the opinion of decision makers on the point of agency units' functions and activities.

2.2.2 Performance Budgeting

The core of performance budgeting is its environment, which uses inputs and standard costs that are multiplied by unit numbers of an activity provided in such period of time. In order to get all the budget for a performance budget agency, a sum of all standard unit costs is multiplied by units expected to be provided. In comparison to other budget systems, a performance budget is stricter than the other mentioned systems. Hence, it might not be suitable for some agencies which require flexibility for their budget conduct.

A performance budget also holds its advantage by providing more information than others. For example, it can provide more details for legislative consideration and data evaluation for administrators in comparison with a line item budget system. Besides, performance budgeting also provides narrative descriptions for each program or activity. Such descriptions are beneficial for quantitative cost estimation and the accomplishments that are able to improve an administrator's ability to focus on measurement and evaluation of the outcome. In addition, a performance budget system can simplify the budget review because of its nature of being able to use standard outputs as its basis.

However, there are downsides of a performance budgeting system, as it lacks reliable standard cost information which is inherently in governmental agencies. Moreover, the performance approach might not be able to conduct an evaluation on the point of program activity appropriateness that is related to reaching the agency's threshold or gaining a targeted agency's service quality or outputs. Hence, in scope of routine activities and discrete measurements (such as vehicle maintenance, paying process accounts) and the activities in small parts of all educational enterprises, the performance approach has become the most effective approach for such activities. Performance budgeting might convey considerable enhancement to the line-item budget in cases where it is conducted properly.

2.2.3 Program and Planning (Programming) Budgeting (PPB)

Program budgeting means various and different budgeting systems which mainly put expenditures on work programs, then focuses on objects as a secondary concern. It is viewed as a form of transition between traditional line-item and performance approaches. Moreover, it is also known as modified program budgeting. Despite other approaches, a full program budget focuses expenditures solely on work programs, without consideration of objects or agency units. As these two variations assert, on the point of program budgeting, it holds the flexibility to be applied in various approaches, which depends on agency need and the capability of administrative units.

Unlike the approaches discussed in previous paragraphs, program budgeting holds less control and an evaluation-oriented nature. The summary of budget requests and reports is in small numbers of broad programs rather than in the vast amount of detail in line-item expenditures or agency units. PPB systems put a large emphasis on government entity fundamental objectives identification, and it is related to all program expenditures of such activities. The explicitly projected long-term costs of program practices and the evaluation of different program alternatives are included in such a conceptual framework. Such various evaluation program alternatives can be used as tools to achieve long-term goals and objectives. This approach's main advantage is focusing on long-range planning. By using this approach, agencies are more likely to reach their stated goals and objectives.

Still, there are several limitations in this approach's actual implementation together with long-term goal changes, and the short consensus in fundamental objectives of the agencies together with no adequate programs or cost data. Moreover, the limitations of such an approach include difficulty in administering programs concerning several agencies or units. Despite those mentioned limitations, program budgeting is popular as a planning device while the allocations of budget continue to be made in the scope of objects and agency units, which are processes that have been adopted in many schools all over the nation. With performance budgeting, PPB information can be used as a supplement and a support to traditional budgets in order to boost their informational value.

2.2.4 Zero-Based Budgeting

The basic tenet of zero-based budgeting (ZBB) means that program activities and services need to be conducted with annual justification during the process of budget development. The preparation of a budget is conducted by the separation of government operations into decision units at the stage of relatively low level agencies. Then, the aggregation of individual decision units is conducted to transfer into the form of decision packages on the basis of program activities, program goals, agency units, and so on. The goods and services costs are attached to each decision package on the basis of production or service level in order to contribute to defined outputs or outcomes. Then, the ranking of decision units is specified by their importance in reaching the agencies' goals and objectives. Hence, in circumstances of proposed budget presentations, there are sets of budget decisions that are tied to the entity's goals and objectives attainments.

The ZBB's central thrust is to eliminate outdated efforts and expenditures together with resource concentration while in the stage of being the most effective. Such achievement is through all program activities' and expenditures' annual review, resulting in an improvement of information for allocation decisions. However, it needs a great amount of manpower, planning and paperwork for proper development.

Experience gained with this approach's implementation is an indication that the ZBB decision package's overall review of some program activities might be important for only some period. Moreover, in some programs, a minimum level of service might be legislated without considering the review process results. Hence, ZBB contains only basic school applications, in spite of program activity reviews that contribute to the particular usefulness of ZBB under the condition that there must be a reduction in overall spending.

2.2.5 Outcome-Focused Budgeting

With evaluation objective consistency, the nature of government budgeting has been increasingly outcome-focused. Fiscal austerity, together with intense government resource competition, has seen an effort in order to ensure that there will be more effective resource use at all levels in the government sector. Outcome-focused budgeting is the practice that connects resource allocation to result production. It aims

at the allocation of government resources giving to service providers or the most effective conducted program.

Outcome-focused budgeting has a close link to government's planning process. In the case of outcome-targets for the government sector, there must be an identification of goals and objectives together with the link to budget allocations in order to reach such objectives. This premise holds that arguments concerning mission-driven (synonymous with outcome-focused) governments are superior to those rules-driven sectors since they hold more efficiency together with more effectiveness in targeted result production. Moreover, they contain a more innovative nature with more flexibility and has better employee morale (Osborne & Gaebler, 1993). On grounds of the escalation in governmental scrutiny of governmental costs, schools included, this model might get more emphasis in the future.

When introducing a performance budget management model, with associated increased managerial freedom, it becomes evident that greater managerial flexibility could be viewed not only as a tool to improve efficiency but also to achieve the expenditure targets that had been set. Typically, managers of individual programs are in the best position to decide on the most appropriate mix of inputs to be used for executing their programs. By providing them greater managerial freedom, managers could be assisted in achieving tighter budgetary limits — that is, improved efficiency in resource use could support stabilization targets.

2.3 Strategic Performance-Based Budgeting System

2.3.1 Strategic Plan

The strategic plan's role is a tool to conduct promotion of policy coherence in order to make sure that it meets the standard and is carried out with proper justification in terms of public policy together with key policies of financial support. The objective of strategic plans is to order activities in order to convey the possibility of linking the ministry's development goals in the scope of objectives and activities together with the amount of used resources. Legislation can distinguish between those mentioned strategic plans and policy documents by specifying them as a "management and budgetary programming document". In one aspect, the measurement of development in

medium and long-term policy documents is included in the strategic plan of some policy areas, which gives solid overview of the said public policy. In another aspect, the priorities defined by the government are taken into consideration, hence it facilitates the identification of public policy areas, together with their directions, which are viewed by the government as important sectors. Ministries' budget proposals can be based on such analyses.

There have been developments in strategic government budgeting for the public sector from the annual private sector budgeting system (World Bank, 2004). According to information from the World Bank, budgeting in the public sector is not only a government financial plan concerning revenue and expenditure, but also a tool for the management on the grounds of macroeconomic areas which consider the plan to be needed for economic efficiency and effectiveness. Besides, according to Wildavsky, the use of multi-year budgeting with a rational choice of resource allocation can contribute to improvements to making a settlement concerning an annual plan that cannot be disclosed regarding all future spending, which might be hidden. This factor can lead to overspending and thus it has been proposed as a reform in order to make an enhancement of a rational choice by viewing long-term perspective resource allocations (Wildavsky, 2003). According to Wildavsky's opinion, by taking a one-year budget into consideration, it can lead to these following problems: 1) short-sightedness, which causes an imprecise perspective in the budgeted item spanning over one-year, 2) over spending caused by undisclosed future huge expenditures, 3) incremental perspective caused by a narrow future view, and 4) parochialism, since the programs tend to be viewed in isolation rather than comparing with their future costs and expectations. Strategic budgeting can contribute to an extended time span of budgeting to three and five years by letting long-term planning overtake short-term reactions and the substitution of financial control over disorganized thought.

2.3.2 Strategic Performance-Based Budgeting System

Strategy is a unified, comprehensive and integrated plan with relation to strategic advantage in the firm's environmental challenges. This strategy is designed in order to make an assurance that basic goals of the firm can be reached by proper action that is conducted by the agency (Jauch & Gluech, 1988, p. 11). Accordingly, in

Strategic Performance-Based Budgeting, a close monitor must be conducted in order to link service delivery which aims at government policy strategies. The organization responsible for strategic delivery targets is the government, while the ministries are in charge of meeting service delivery targets and agencies in terms of output delivery. A negotiation of output cost is to be conducted, and budget allocations shall be determined after the translation of agencies concerning the calculation of the service delivery into outputs. In short, the implementation of a Strategic Performance-Based Budget System (SPBBS) is conducted by considering the national targets, the power devolution in decision making, planning, implementing, and executing the budget in the ministries and agencies under a vivid administration structure and accountability. The said processes bring about the best budget use.

2.4 Horizontal Policy Integration

2.4.1 Conceptual Background

The coordination concept has been interpreted as the creation of a set of activities in a number of individuals and institutions in order to contribute to the consistency of social results. According to the publication of SIGMA, which makes an appearance in the Cambridge dictionary, the integration of concepts represents “the manner in which [it is possible] to do many different things to work effectively as a whole”.

In recent years, against a background delegation concerning the subnational and supranational authorities as well as private actors, there has been an emergent new strand of research concerning the argument on the ground that the policy sectors’ governance is gaining more integration and/or coordination or that it needs to become so. The composite literature points to a growing policy, making inter-sectorization together with public policy instruments, with correspondence of an increased integration and coordination across, or even a merger with, different policy instruments and public-sector agencies. It worth taking into consideration that this research has been built on various concepts that can be separated vastly into governance- and government-centered approaches (Tosun & Lang, 2017, p. 4).

Among the governance-centered approaches, in the view of public policy scholars that put more weight on policy processes and implementation, they are likely to view these phenomena through a “policy integration” perspective (cf. for instance Pierson & Leibfried, 1995; Lenschow, 2002; Lafferty & Hovden, 2003; Nilsson, 2005; Nilsson & Eckerberg, 2007). Policy integration is viewed to be necessary since it includes every actor in an integrated approach to conduct development and implementation of appropriate policy solutions in order to handle environmental sustainability issues, for instance, agricultural actors or those concerning energy or transport policies (Jordan & Lenschow, 2010; Eckerberg & Nilsson, 2013). In other words, policy integration typically holds its aim to create new instruments to make connections in the existing sectors and make its contribution to the policy solutions that are more effective and/or more legitimate (Hou & Brewer, 2010; Schaffrin et al., 2015, p. 263). Boundary-spanning policy regimes (Laffan & O’Mahoney, 2007; Jochim & May, 2010, May, Jochim, & Sapotichne, 2011) or functional regulatory spaces (Varone et al., 2013) are other examples concerning governance-centered approaches that coordinate and integrate with those subjects.

The integration of policy might be referred to as specific policy goals incorporation, which is an externality in the policy domain into the existing sectional policies that are often asked to make more coherence in public policy. This subject is not a new one, moreover, these policy integration ideas can be dated back to the 1970’s with the discussion of cross-cutting policies. Such issues are being widely discussed under the circumstance of the integration of environmental policy. However, other objectives are under the discussion on the point of the integration of policy, such as rural development, gender, food safety, and freshwater conservation, which should be counted in a strong sector’s policies, like agricultural, energy, transport, or innovation policy, et cetera.

The existing policy integration interpretations have a diverse nature and they hold a partial description of the phenomenon, either that it is a process, an outcome in political means, or both. The former consists of cross-cutting issue management, which exceeds the establishment of policy sectors and the responsibilities of agencies. The policy outcome may be viewed as an integrated form where the elements of policy elements tally with each other. To be considered as a conflicted agency process, policy

integration can be mentioned in the circumstance of a variety of public policies coordinated with each other with no redundancy or loopholes in their services.

On the point of the approaches of government-centered study in the areas of policy coordination and integration, researchers specified the problems concerning the institutional and agency dimensions. The reformation of agencies contributes to the creation or re-creation of the embodiment of a government branch that was labeled “joined-up government” at first (Cabinet Office, 1999; Bogdanor, 2005), and then known as “whole-of-government” (Chow, Humphrey, & Moll, 2007; Christensen & Lægreid, 2007). Comprehensive planning is another example of the approach of government-centeredness that studies the policy coordination and integrations which are a means of extensive planning (Roberts & Wargo, 1994; Andrews et al., 2009; Sanchirico et al., 2009), coherence of policy (Keiser & Meier, 1996; May et al., 2005; May, Sapotichne, & Workman, 2006), and holistic government (Dunleavy et al., 2006; Mawson & Hall, 2013).

2.4.2 Collaboration

‘Collaboration’ is another term used as a description of a form of inter-organizational relationship. In general, it has the possibility of being described as a highly positive form of work which is associated with other organizations in the means of mutual benefits (Huxham, 1996). This approach largely focuses on the collaboration process outcome, which is a so-called “IBP advantage” in synergy nature in order to make the legitimation of collaboration. The IBP advantage concept (which is the opposite of the competitive advantage concept) is an alternative to the market-dominated thinking in public management (Alter & Hage, 1993, p. 87). It refers to collaboration cooperation. The said cooperation is the degree of collaboration in existing programs, resources, information, et cetera (Gray, 1989, p. 5). The term collaboration is used in order to give definition to the process that parties who have an ability to oversee different aspects of a problem are able to make an exploration of their differences constructively, together with searching for solutions that exceed their own limited vision of possibilities.

2.4.3 Policy Networks and Network Management

The network metaphor, which is the emphasis of inter-dependency and complexity, has been an application in policy communities. It is most vivid as policy networks and network management concepts (Hanf & Scharpf, 1978; Rogers & Whetten, 1982; Marin & Mayntz, 1991). Kickert et al. gives the definition of policy networks as ‘(more or less) patterns with stability of social relationships between independent actors, in which policy problems and/or policy programmers are taken into shape’ (Kickert et al., 1997, p. 6). The application of this concept exists mostly at the meso-level of specific policy fields. This means that integration is needed in the circumstance of an integrated policy that contributes to a number of quite self-standing policy networks. While policy network worth is primarily in the clarification of inter-dependencies, it comes together with a governance approach which is likely to be interesting in this context: network management, or the managing of policy networks. The goal of network management is ‘coordinating strategies of actors with different goals and preferences regarding a certain problem or policy measure within an existing network of inter-organizational relations’ (Kickert et al., 1997, p. 10). It is a steering pattern that holds its goal at promoting joint problem solving or policy development (Kickert & Koppenjan, 1997, p. 43). Network management is often viewed as one of the three ideal types of governance mode, the others being ‘market’ and ‘hierarchy’ (Thompson et al., 1991). The said governance modes are not in the form of mutual exclusiveness, they are more likely in the form of inter-organizational relations, which involves different governance modes, one of which is the dominant one in different stages of the concerning relationship (Lowndes & Skelcher, 1998).

2.4.4 Policy Integration

While these concepts and theories point to similar phenomena, there are outstanding differences. For example, while some view co-ordination as more or less a similar concept with integrated policy-making (Mulford & Rogers, 1982), there are others who can separate between these two (OECD, 1996). The OECD makes an observation that the integration of policy is quite apparent in its more complex nature than policy co-ordination (OECD, 1996).

The two major differences in the concepts are: 1) the interaction level; and 2) the output. Policy co-ordination needs less inter-sectorial interaction than policy integration. This difference has its explanation in the different output. While co-ordination holds its goal to adjusting sectorial policies in order to produce mutual enforcement, the outcome of policy integration is in one joint policy for the involving sectors. The output difference is also based on a difference in objectives. In the aspect of co-ordination, it is more likely to be about policies of agencies having more or less similar sectorial objectives; integrated policy-making, on the other hand, starts from an uncovered objective and holds a higher scale than sectorial objectives. This objective is also known as a cross-cutting objective (such as sustainable development).

In the circumstance that integrated policy-making is more far-reaching than policy co-ordination, policy co-ordination, on the contrary, is more far-reaching than co-operation. Besides, the literature is unclear on the interpretation method of the relation between co-ordination and co-operation. While some authors view co-operation and co-ordination in the nature of distinction and separation, others see co-ordination as one type of co-operation (Alter & Hage, 1993), conveying that typical features of co-ordination – deliberate adjustment and collective goals, can also be discovered in co-operative relations. There are differences in the nature of co-ordination and co-operation concerning the extent to which collective goals or individual goals are at play. For example, Inter-organizational co-operation, is defined as ‘the deliberate relations present between those autonomous organizations for the joint accomplishment of individual operating goals’ (Schermerhorn, 1975, p. 847). On the contrary, Mulford and Rogers (1982) have an argument that co-ordination reaches beyond co-operation in the sense that co-ordination has a more formal nature than co-operation. Besides, it involves a larger amount of resources and ability to boost inter-dependence, which contributes to it being a threat to autonomy. In short, it brings about different outcomes. In the circumstance of co-operation, there is the coordination of two organizations in order to accomplish their own targets; in the case of co-ordination, on the other hand, the decisions and/or actions conducted mutually bring about joint outcomes that can be quite different from their truly preferred outcomes.

Regarding the output and objective type (cross-cutting or sectorial), the distinctness of an integration policy can be viewed from co-ordination and co-operation

or collaboration. Although co-ordination and co-operation are partly in the policy integration process, they do not involve the overall process. Integration has higher demand for the involvement of stakeholders in the process.

Generally, interaction, accessibility and compatibility are more needed in policy integration, which brings about higher levels of interdependence (besides, it follows from more interdependence concerning the issue at stake). It also needs more formal institutional arrangement, with the involvement of more resources, in which the stakeholders need to give up more autonomy. In addition, it also needs a more comprehensive area of time, space and actors. Still, policy integration does have the involvement of co-ordination and co-operation by keeping the differences in terms of output and type of objective in mind, with the similar nature of the involvement of inter-governmental management and network management in policy integration. Additionally, policy integration has the corresponding concepts of holistic government, joined-up government or cross-cutting policy making. The need of horizontal integrated public policies is determined by several factors, including:

- 1) Cross-public policy issues - many public policy problems that governments face cross the boundaries of a sector. It is impossible, for example, to talk about education without taking into account competitiveness and labor market issues.
- 2) Globalization and increasing international interdependence - they create strong pressures for harmonization of national legislation and policies of different countries.
- 3) Budgetary pressures - linking resources with government priorities requires knowledge of policies and programs beyond the scope of a structure (a ministry).
- 4) Avoiding overlapping and duplicity.
- 5) Fairness and equal treatment - fundamental values of public administration that differentiate public actions from private ones.
- 6) Decentralization of public services.
- 7) Changing the paradigm of public policy generation - from a top-down approach towards a system, network approach.

2.4.4.1 Horizontal Integrated Policy Objectives

Painter mentions that it presents an instrumental definition for integrated policy, making use of its specific objectives:

- 1) Avoid or minimize duplication or duplicity.
- 2) Avoid inconsistency.
- 3) Minimize both bureaucratic and political conflict.
- 4) The need for coherence and cohesion and for an agreement regarding prioritization.
- 5) Promoting a comprehensive perspective of the government as a whole.

2.4.4.2 Policy Integration Potential Success Factors

According to Kickert and Koppenjan (1997), who gave a synthesis in the preconditions concerning the method of network government and the potential success factors, these factors are usually mentioned:

1) Number of actors: There is the general assumption that in the higher numbers of actors involved in the processes of interaction, it is harder for an agreement to be reached. Yet, other evidence (such as game theory, et cetera) provides the suggestion there is similarity in terms of co-operation. It is certain that the necessary subject to find a proper participation level is network management: its involvement contains merely indispensable matters.

2) Diversity within networks: This main factor that can contribute to success in network management depends on the degree that it is influential in the process concerning multi-forms of the network and the actors that conduct operations within it.

3) Networks' close nature: Closeness in this matter is in the situation that a network holds, to a large extent, that which is closed to external influences, with the limitation of the opportunities concerning the management of the network. A closed network cannot be easily taken over, it can also be implied that there is the capacity of self-management in such networks.

4) Conflicts of interests: Many authors give their opinions that in circumstances with diverged or clashed interests, it is impossible to achieve consensus because of conflicts and the absence of alternatives (Agranoff, 1986; Ostrom,

1990). Still, on the grounds of interests, social constructs should be considered more than fixed matters, as they can be modified by interaction. More drivers of interests or goals cause less potential to succeed.

5) Leadership and commitment power: Commitment power of agency representatives and representativeness in a network do not always occur. To achieve consensus among representatives concerning a joint course of action, and the establishment of support for these ideas in the 'parent' agencies, it requires the qualification of leadership.

Additionally, according to Alter and Hage (1993), there is an argument on the impact of four factors regarding the collaborative development between firms and agencies, which are: the willingness to conduct collaboration, the need for expertise, funding need, and adaptive efficiency need. These factors are influenced by the culture of trust, task complexity, the existence of highly specialized niches, and of small units emergence, and those factors are influenced whether in the form of sole agencies or large-scale agencies.

Such conventional structure, in some circumstances, brings about a narrow perspective of policy and a concentration on departmental goals of the policy makers rather than the whole aim of such agencies of end-user services. These factors can cause weak or perverse incentives on the grounds of policy co-ordination. A shortness of management mechanisms for policy integration and professional and/or departmental culture are other difficulties that policy makers are likely to overlook regarding the whole picture in terms of agencies or end-user service goals.

According to a 1996 OECD report, it provided a number of tools to boost policy coherence (OECD, 1996) that includes agency concepts with the translation into structures and processes, and working methods that can improve governmental policy consistency from different political and administrative traditions. These concepts are about the process of policy-making, in other words, they are not about the substance of policies. Recommendations for the government center was the main matter, and broader issues were addressed. There is included a presentation on a number of commonalities in agency concepts with the development of skills on the management of coherent policy-making. These following wide recommendations were included (OECD, 1996, pp. 41-42):

1) It is necessary to have a commitment by the political leadership, as it is a precondition to coherence that can be used as a tool to make improvements.

2) The establishment of a strategic policy framework can be a tool of assurance of the individual policies' consistency with the government's goals and priorities.

3) It is vital for horizontal consistency among policies to have a central overview and co-ordination capacity.

4) Advice that is based upon a solid definition and qualified issue analysis is needed by the decision-makers, together with a clear indication of inconsistencies that might occur.

5) Mechanisms that can anticipate, detect and resolve policy conflicts in the early steps of the process can be tools to make identification of inconsistencies and decrease incoherence.

6) Between policy priorities and budgetary imperatives, an organized decision-making process is needed in order to get an effective reconciliation.

7) There must be a design of the implementation procedures and monitoring mechanisms in order to make sure that adjustment of policies can be conducted in the stages of progress, new information, and changing circumstances.

8) A strengthening of policy coherence can be built by the administrative culture, which enhances cross-sectorial co-operation and a systematic dialogue between policy communities.

According to analysis on the grounds of dimensions of activities that occur under the banner of British joined-up government, Ling (2002, p. 626) conducted four practical ways to reach a more integrated policy:

1) Setting new types of agencies (e.g. culture and values, information and training).

2) Imposing new accountabilities and incentives (e.g. shared outcome targets and performance measures).

3) Determining new methods of services delivery (e.g. joint consultation and involvement).

4) Setting new methods to work across agencies (e.g. shared leadership, pooled budgets, merged structures and joint teams).

Co-operation between agencies is not simple, moreover, 'IBP inertia' (Huxham, 1996) usually happens. This term refers to the situation when an outstanding amount of work output from collaboration decreases when compared with the expectation of a casual observer of what might be possible to achieve. Many problems can cause a state of inertia. Among these are problems that are caused by differences in goals, language, procedures, culture and perceived power from autonomy and accountability tensions and little authority structure, together with the time that's needed for logistics management (Huxham, 1996, p. 4). Autonomy-accountability tension can be an indication of the often-limited degree of autonomy that individuals holding collaborations as activities will affect the 'parent' organizations. Accountability to them is needed in these organizations; on the contrary, it needs a large enough degree of autonomy to reach collaboration progress.

2.4.4.3 Analytical Perspectives on Horizontal Integrated Policy and Strategic Planning

The reaction of theorists is that committed research on this topic is not the research that has been conducted for a long time in order to make an attempt to develop heuristic tools for finding answers concerning this issue. Public policies, for example, are a type of coordination that resonates with public administration and public policy's other concepts, which include coherence and correlation concepts. From the author's point of view these concepts are not synonymous. Consistency is viewed as the result (coordination process, correlation process). Hence, to acquire consistent public actions, it is vital to have development and implementation of formal mechanisms in order to coordinate with government initiatives. The goal of public policy coordination is general interrelation of different aspects on the grounds of public policy.

2.4.4.4 Public Policy Coordination Tools

According to public policy approaches, and specifically in the area of institutional and normative ones that are based on institutional management, tools need to be used such as resources planning (human, financial, material and administrative), and development of institutional effective models that use private sector expertise. On

the other hand, there are also adoption, modernization and updating the necessity of normative frameworks.

2.4.4.5 OECD Tools for Public Policy Coordination

There are many theoretical studies that are not limited to outlines of vivid, clear definitions concerning public policy coordination concepts, they also set goals to build mechanisms to implement and evaluate the coordination of policy. “Public policy coordination scale”, which was developed by Les Metcalfe in 1994, was used as a reference tool on this matter, and several years later there was “scale on the coordination capacity”, which has been improved on by Metcalfe and the OECD.

The first version is the scale enumerated the existing options for governments that have participated in intergovernmental negotiations in order to achieve national coordination. The adapted version, on the other hand, is the scale that is used as a comparative evaluation tool of the degree of state coordination at a national level in order to get effective participation internationally. The proposed levels of this scale are:

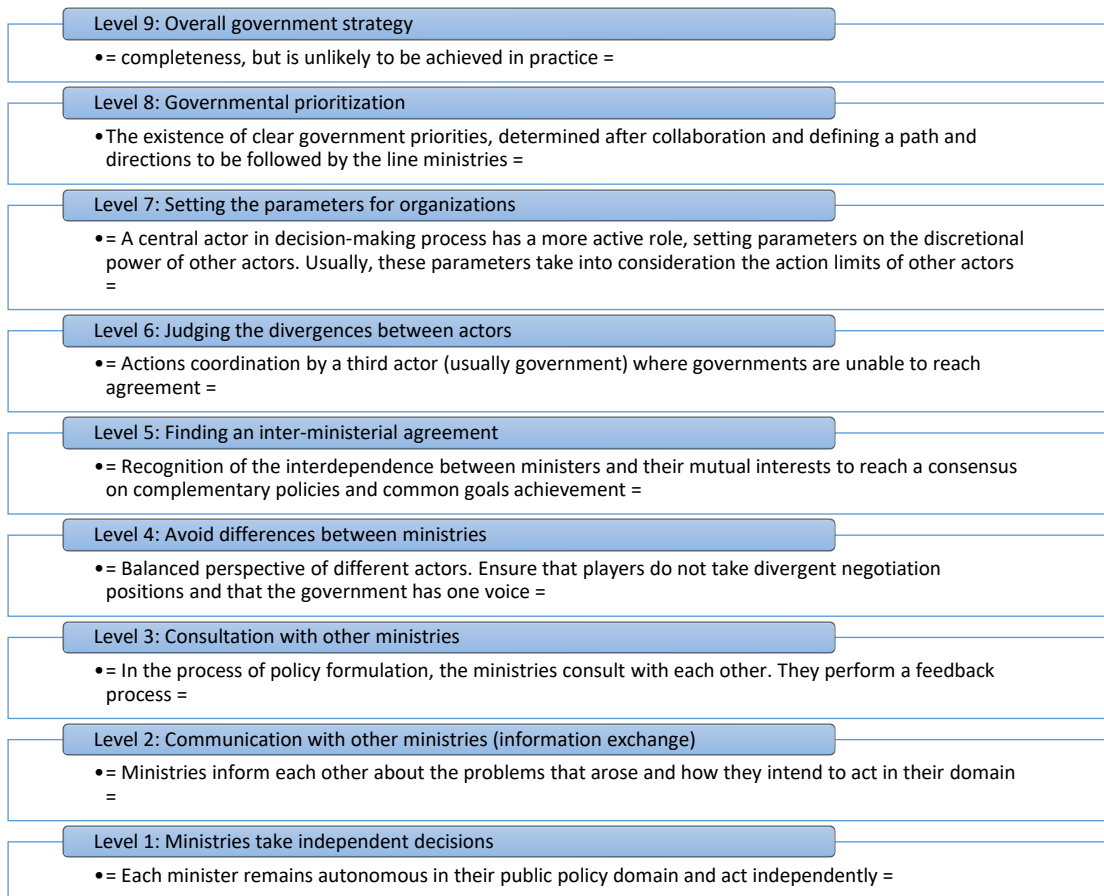


Figure 2.1 The Proposed Levels of this Scale

2.4.4.6 Strategic Planning - Tools for Policy Coordination

The quality of public policy depends largely on coordination and consultation activities, while development within public institutions belongs to the executive power, and on another aspect, it occurs between public institutions and interest groups and their strategic plans. Therefore, strategic planning holds an important role in the public policy process, its different features hold a direct contribution to understanding and formulating prioritized public policy and goals. In general terms, strategic planning refers to the processes that a community, an agency or an individual uses to establish their goals, with the objective of achieving such goals and the steps required to achieve them. From a historical perspective, the originality of a strategic approach is in the military domain, although in the administrative science area, it is a fairly modern concept and it attempts to combat the image of chaotic

decision-making at the level of an administrative system. According to Dean Acheson, there is a useful definition for understanding strategic planning, which is “look forward, not to a too distant future, but beyond the decision-makers’ vision caught in the current crises battles; far enough to see those things in progress and to highlight what should be done to materialize or to predict”. According to the mentioned saying, Acheson believes that policy makers must constantly reassess existing policies.

Strategic planning can be seen as “a way of intended knowledge” to help policy makers to discern what to do, how to do it and why to do it. Strategic planning is also a management tool that consists of planning the following activities: institutional mandates, vision, institutional values, analyses of internal and external environments, medium-term priorities and the key activities to achieve them.

From an institutional perspective, strategic planning is viewed as a process that gives a description to the general direction of an institution in the future. This process helps an institution to decide what it wants in order to achieve and defy the main action to be undertaken in the future. At the EU level, strategic planning is used even in the functioning process of various institutions to coordinate their policies. Commission decisions are based on an Annual Policy Strategy, a strategy that includes the priorities of the following year and the foundations of human resources and financial allocations.

The following aspects are aimed at strategic planning, 1) to improve performance, 2) to create more relevant institutional structures, 3) to enhance institutional, departmental and individual responsibilities, 4) to improve transparency and communication between management, employees and stakeholders, and 5) establish priorities for allocating resources efficiently and effectively. In order to be effective, strategic planning needs both short and long-term planning. It also helps decision-makers in their budget planning.

2.4.4.7 The Coherence of a Public Policy Development Framework

The strategic plan acts as an instrument to promote policy coherence, to ensure the quality and proper justification of public policies, and to support key policies in a financial aspect. Strategic plans aim to order activities in order to be possible, to link what a ministry aims to develop in terms of objectives and activities in order to achieve them, and monitor the amount of resources involved. According to the

legislation distinguishing between strategic plans and policy documents mentioned above, they can be defined as a “management and budgetary programming document”. Strategic plans include, on the one hand, the development measurement that sets out policy documents in both medium and long terms and certain policy areas, providing a clear overview of that public policy. On the other hand, they have taken into account the priorities defined by the government, thus facilitating the identification of public policy areas, as well as their directions that the government considers are the most important. With these analyses the ministries can base their budget proposals. The main elements of strategic plans are the medium and long-term vision, the internal and external environment analysis, key stakeholder identification, the analysis of available resources, the production of measurable objectives and their correlation with financing requests.

2.4.4.8 Some Challenges Facing Integrated Planning

The scope of this paper does not permit a comprehensive evaluation of the strengths and challenges confronting integrated planning in practice. However, the following section briefly summarizes five emergent challenges uncovered to date. Research conducted by the authors also focuses on ingredients for effective integrated planning, although this has not become a focus of this paper.

1) Departmentalism Can Obstruct Coordination

While coordination has been an ongoing feature of urban policy, examples of interaction within and between levels of government highlight some political and organizational constraints. Coordination is “an undisputed virtue” and inconsistencies and duplication in policy are taken as evidence of government failure (Davis, 1995, p. 16). Thus, “political survival requires a government to appear coherent and united, in control and able to account for the resources in its care” (Davis, 1995, p. 16). For this reason, governments create coordinating mechanisms that promote consistency. However, departmentalism can obstruct coordination. As a report by the Australian government on ‘Whole of Government Responses’ found, “there can be tensions between collaboration and organizational interests”. Furthermore, interested stakeholders build ‘coalitions’ to influence policy and the competing interests of multiple policy communities hamper the task of governing, as each is “more interested in its own objectives than in bowing to pressure for coordination and consistency”

(Beale, 1995, p. 14). Some interviewees reflected on the persistence of ‘siloes’ practices or ‘turf protection’ and the challenges of breaking the inertia of existing practices to promote coordination and integrated planning.

2) Tensions between horizontal and vertical forms of integration

While vertical and horizontal forms of integration can be overlapping and reinforcing, at times they can also be conflicting. Curtis et al. (2010, p. 6) explained that one main difference between vertical and horizontal integration relates to power: “As a reflection of differing power structures, the nature of interaction along these two policy dimensions necessarily differs, with vertical interactions tending towards authority and conformance, while horizontal interactions utilize negotiation, co-ordination and bargaining”. In this regard, authority tends to prevail in vertical integration practices. However, building on Matheson (2000), Curtis et al. (2000) suggest that forceful authority employed in vertical integration can also erode consent-based horizontal relationships of integration.

3) Data and skills deficit

Access to data and skills deficit in certain areas to support integrated planning processes were raised as challenges in the interview process. While some interviewees commented on the essential role of “robust” evidence in driving policy change through integrated planning, others commented on the lack of access to “detailed, fine-grained evidence” at the specific level needed for certain projects. High quality data was seen as important to both support meaningful discussions about policy and project initiatives, as well as construct strong arguments for policy and planning support. For example, one interviewee commented on the need for “irrefutable data” in order to have an impact. Another stated: “if they [decision-makers] are going to accept our contribution it has to be absolutely robust to stand up to scrutiny. However, planners feel like they have had a hard time in the rigor of this process...due to difficulties in accessing good data.”

On the other hand, integrated approaches to planning require a skillset that goes beyond the technical and involves interpersonal skills, like communication and conflict resolution. The Australian government (2007, p. 33) has identified the ability to work cooperatively in multi-disciplinary ways as a core skill: the need to deal with the social complexity associated with wicked problems (working across

organizational boundaries, engaging stakeholders and influencing citizens' behavior) requires additional skills over and above the more traditional analytical, conceptual, and project management skills required by public servants involved in policy making and planning policy implementation.

Some of the skills required for effective integrated planning include communication skills, relationship building, interpreting non-verbal communication and listening skills. One interviewee, for example, explained: "It's not just about formal processes, it's about building relationships and having constant communication." Better understanding of these informal approaches, and their vulnerability to change (for example in changing political environments), is an important aspect of building and improving frameworks for effective integrated planning. Another interviewee discussed the importance of "learning different policy languages" to help different disciplines work together and the problems and delays that arise when issues or agendas get "lost in translation." Another aspect of skills deficit raised by two interviewees from local government relates to the transfer of responsibilities from service delivery to community organizations. One commented: there are "more bonuses for the community to have the skills to take on responsibilities."

2.4.4.9 Debates Concerning Horizontal Policy Integration

In order to get effective policy integration, the external objectives need to be formally included into other sectors' policies; as well, they need to be actually implemented. Both aspects must be seen as serious challenges for policy integration. The literature distinguishes between two main political strategies for integration realization: horizontal and vertical policy integration (aka, vertical policy integration). The vertical dimension refers mainly to the hierarchical structure of public administration that ensures coordination of public policies. Despite its rigidity, vertical public policy coordination is essential, especially in the priorities-setting and implementation stages of public policy. The horizontal dimension of coordination corresponds to the process of ensuring a framework for institutional and/or interdepartmental debate and negotiation, which allows formulating coherent public policies so that they can reflect better on the positions of different actors involved in public policy making.

Horizontal policy integration in the sense of political strategy refers to the attempt to be an advocate of external policy objectives in order to incorporate those objectives into other sectors' policies at a given political level. The individual ministries fulfill the task of horizontal or inter-sectorial coordination between a number of other departments. Some examples of horizontal policy integration are the early strategies of the newly established environmental agencies and ministries. In the 1990s, these agencies had been charged with the task of integrating environmental objectives into relatively strong policy sectors, such as agriculture, innovation, energy, or transport policies at the national level.

2.4.4.10 Advantages and Disadvantages

The general idea of policy integration recently gained momentum due to the following two reasons. The first one: political issues which are in cross-cutting characters. Policies concerning the environment, energy, and growth hold multiple dimensions and cut across different sectors of the economy. The second one: the change in the problem structure of political issues that goes along with changes in the policy approaches to them. Traditional sectorial and uncoordinated approaches, such as agricultural policy, have been criticized as being ineffective or not consistent with the holistic idea of sustainable development. In these circumstances, policy integration is expected to increase the efficacy and coherence of policies. By formally including external objectives into sectorial policies, the horizontal approach was employed successfully as a door opener prior to the World Summit in Rio de Janeiro in 1992. It acknowledges that formal integration into sectorial policies is the starting point, even though major policy impact may still be informally obstructed by policy sectors.

Although the concept of policy integration enjoys high political acceptance, realization in political practice encounters significant resistance due to two major obstructions; first of all, the integration of political objectives such as environmental goals, which are external to given policy fields like agricultural or energy policy, disagrees with the logic of a sector designed government which follows the concept of a rational and effective public administration. In this concept, a number of separate government departments or ministries and other public agencies are charged with delivering public policy. Overlaps of responsibilities are avoided, and consequently each ministry develops a relatively autonomous policy sector which

delivers highly specialized, functional, and vertically organized policy through separate administrations.

Secondly, policy integration goes against the economic interests of the actors surrounding these relatively autonomous administrations. The external policy objectives often conflict with vested interests in their maximizing interests aspects. The horizontal approach to integration does not pay due attention to the stage of policy implementation and its role in achieving effective integration. After the formal uptake of new objectives, policy implementation is administered and conducted by discrete sectorial agencies. During this stage stalemates occur, and such objectives are usually rendered ineffective consequently. This orientation toward more formal integration aspects in the formulation of policies may be seen as the basic shortcoming of the horizontal approach.

2.5 Organizational Theory Perspectives on Budgets

Most modern organizations have budgets. In this section we will explain the pervasiveness of budgeting from four theoretical perspectives: institutional, resource dependency, transaction-cost, and Marxist.

2.5.1 Institutional Perspectives on Budgets

For over two decades a set of management techniques and practices, mostly associated with market and private-for-profit sectors, have been used to reform administration and management in government in a variety of countries. According to institutional isomorphism (Powell, 1983), budgeting is diffused via three mechanisms. Under mimetic diffusion, organizations adopt budgets because they observe that other groups become more financially confident and successful with a systematic budgeting process. The past decade has seen the application of some of these practices in some developing and transitional economies. The organizational reform trends have been driven by a combination of factors, not one of which can be said to be responsible for driving reforms on its own.

As budgeting became a lot more fashionable, there has been powerful pressure to adopt budgets. Stockholders who demand sound money management might expect yearly budgets for key activities. Philanthropic organizations can scrutinize the budgets

of charitable organizations to confirm future contributions as units spent, showing wisdom. Workers expect formal budgets to stay assured that money is out there for salaries and vital concerns.

Finally, government accountants and finance managers employed by government agencies bring normative pressures to adopt standardized budget practices. Budgeting may be a logical extension of credit-debit accounting principles. Budgets have conjointly become a "rational myth" for contemporary organizations (Rowan, 1977). Budgets necessary for legitimacy are de-coupled from daily operations. Cash is also transferred from one budget class to a different one to hide over-spending. Typically there is very little pressure to keep up budgeted payment levels once they've been developed. Uncle Sam's store may be an excellent example of budgets as a yearly ceremony.

2.5.2 Resource Dependency Perspective on Budgets

Government budgets are pervasive in public organizations because they help clarify internal resource dependencies. Often the hierarchy of budgets reveals organizational priorities and dependencies better than formal organizational charts. The approved budget can also represent a "rationalized" statement of purpose for the coming year, understood by both central and local government.

More importantly, budgets are important tools of power (Pfeffer, 1992). Since departments are usually dependent on budgets for general operations, those who control budgeting control resources. Budget planners and approvers can exploit these asymmetric dependencies to accumulate power. External groups can also exert internal influence by reviewing and/or approving yearly budgets. The budget planning process at any given level is often a zero-sum game where politics and influence are most evident. Budgets are also useful control mechanisms because they are more flexible than contracts. Unlike contracts, you can quickly change a budget to affect a sub-group's activity. From a resource-based view, the transformation of a public organization can be viewed as follows:

- 1) Economic and fiscal pressure on government, which was experienced in most developed countries in the 70s and early 80s, occurred more fiercely in developing countries in Africa and Asia, and more recently, in the Asian "Tiger"

economies. The causes of fiscal stress are massive public-sector deficits, external trade imbalances and growing indebtedness, especially in developing countries where there was a major driver for restructuring the public sector, rethinking together with a reshaping of the government's role. Issues of downsizing, privatization and contracting out gained prominence as methods of controlling fiscal deficits and restructuring the public sector.

2) On the aspect of public attitudes, criticisms increased (especially by public choice theorists) over the ineffectiveness and inefficiency of delivering public services through bureaucratic agency arrangements, together with the realization of the need to search for alternatives. The old public administration was seen as too slow, driven by rules instead of performance, inefficient and unresponsive to users.

3) The resurgence of new right politics in the late 70s and 80s that were pro-market and pro-private sector, such as NPM, had ideological underpinnings, challenging the post-war consensus on a welfare state that was unsustainable.

4) A proliferation of management ideas was generated, packaged and marketed by international management consultants, who often acted as advisers on the reformation of governments around the world.

5) In the case of most developing and transitional countries, an additional factor driving NPM-type reforms has been donor advocacy and lending conditions of international financial institutions, notably the IMF and the World Bank, with the adoption of a more pro-market and pro-private sector with a stance on structural adjustment programs.

6) The spread of global markets, especially those that are related to financial integration and liberalization and the resultant competition, are forcing the public sector in most countries to reshape themselves to keep pace with the emerging global economy and modern information technology. These are changing conventional ideas concerning the public sector.

7) The growth and use of new information technology has also provided impetus for some of the changes. Some aspects of the NPM reforms, such as performance management, executive agencies and management decentralization of public services, have been facilitated by the development of information technology that allows for indirect monitoring and control of performance.

Several theories have provided the theoretical underpinnings of NPM and have helped shape NPM ideas. Public choice and principal-agent theories are the two most prominent theories.

2.5.3 Stake Holders' Theory

The definition of Stake Holders' Theory (Clarkson, 1994) states that a firm could be a system of stake holders in operation at intervals. The massive system of the host society gives the mandatory legal and market infrastructure needed for companies' activities. The aim of the firm is to make wealth or price for its stake holders by changing their stakes into smart services, as supported by Blair (1995, p. 322), who proposed that the products' administrators and management ought to be increasing total wealth creation by the firm, this is the key to adhering to and reinforcing their voices.

Consistent budgeting to supply funds is significant to important stockholders. Porter (1992, pp. 16-17) suggested to North American manufacturers that they ought to encourage board illustrations. Porter (1992) conjointly suggested that corporations get future house owners and offer them an instantaneous voice in governance.

All these recommendations could help to establish business alliances, trade related networks and strategic associations. Hollingsworth and (Lindberg, 1985) noted that they had not evolved as much in the United States as they had in continental Europe and Japan. In other words, Porter is suggesting that competitiveness can be improved by using all four instrumental modes for governing transactions rather than just markets and hierarchy. This supports the need to expand the theory of the firm, as suggested by (Turnbull, 1994).

In large enterprises a high degree of detailed budget planning is considered an important influence. Drilling overall budget problems down to the lowest hierarchical level requires detailed analysis and consumes large quantities of human and monetary resources, moreover, wasteful resource consumption occurs every time negotiating partners loop through the planning cycle until they finally approve the annual operating budget. Large firms usually commit 75 to 95 percent of their total controlling capacity to operational planning during the time they are engaged in budget preparations (Kopp & Leyk, 2004). Unfortunately, top management seldom considers the high cost involved, relative to the manager's benefit derived from such detailed instruments. It is

no wonder, then, that cost, product and strategic control often gets little attention in the process.

2.5.4 Principal-agent Theory

Principal-agent Theory argues that the public (as principals), on whose behalf politicians and bureaucrats (as agents) are supposed to govern, is unable to hold the latter accountable because of insufficient information (information asymmetry), incompleteness of the contracts of employment, and the problems of monitoring behavior (Walsh, 1995; Lane, 1995). The public sector underperforms because state officials pursue their own narrow self-interests rather than the public interest. It is difficult to extract accountability and good performance from public servants (agents) because of the monopoly characteristics of public services, imperfect information about the services, the abilities and interests of public employees, and the huge transaction costs that would be involved in efforts to write and monitor complete contracts. One solution to the problem of the public sector is to expose public services to greater competition.

The result of the above drivers for change is that the role and institutional character of the state has been under increasing pressure to be more market-oriented and management-oriented, with emphasis on ‘doing more with less.’ The traditional model of agencies and delivery of public services, based on the principles of bureaucratic hierarchy, planning, centralization, direct control and self-sufficiency, is being replaced by a ‘new public management’ (NPM) model.

2.5.5 Agency Budgeting

Incrementalism literature focuses on the relationship between core budgetary institutions, spending agencies, Ministries of Finance and the legislature, by largely ignoring what goes on inside spending agencies during the budget process. When behavioral studies are undertaken in the private sector, they can provide some insight into this aspect of budgeting. One of the key issues that they explore is the degree of centralization with responsibility for budgeting and its implications for budgetary outcomes and performance. Chandra (1999) distinguishes four agency approaches to budgeting that involve authoritative budgeting. Authoritative budgeting centralizes

responsibility of budgeting in the hands of a senior manager who imposes final departmental allocations with consultative budgeting in which budget allocations are discussed with department staff; the decisions, on the other hand, are made by senior managers. Participatory budgeting, in which agency budgets are defined bottom-up on the basis of departmental budgets and negotiated budgets, performs the preparation of departmental budgets on the basis of limits agreed to by both departmental and senior managers.

There is an argument that more participatory methods improve staff motivation, whereas authoritative approaches, although effective in cutting costs, tend to provoke conflict and may undermine performance. This is partly because less participatory forms of budgeting tend to underestimate the resources needed to fulfil the department's functions or meet its targets (Nouri & Parker, 1998). Senior managers and budget departments are poorly informed regarding the resources required to deliver a given level of services and, besides, will tend to underestimate budgetary requirements of subordinate institutions systematically as a means of achieving cost reduction goals. Inevitably, this decreases efficiency.

In the public sector, particularly in developing countries, authoritative approaches to budgeting have tended to predominate as departmental budgets are often prepared and managed by a centralized finance and administrative department covering the whole agency. In some cases, managers may not even know the resources that are available, they merely submit requisitions that are either approved or rejected. In recent years, many countries have sought to improve motivation and efficiency by decentralizing responsibility for budgetary management with government agencies down to the field delivery units. Results have usually been positive, although in some cases, the scope for managers to realize these benefits have been limited by the persistence of centralized controls on recruitment and procurement of supplies

2.5.6 Public Expenditure Management (PEM)

The meaning and role of public expenditure management to perform the roles assigned to it by its people and the government needs, among other things, to:

- 1) Collect resources from the economy, in a sufficient and appropriate manner; and

2) Allocate and use those resources responsively, efficiently and effectively. The national budget is the main instrument through which these transactions are planned and carried out. Public expenditure management (PEM) pertains only to items.

Public expenditure management (PEM) is instrumental in nature. There is an important distinction between the expenditure policy question of “what” is to be done, and the expenditure management question of “how” it is to be done. It is true that attempts to set overly rigid boundaries between policy and implementation tend to lead eventually to unrealistic policies, ad hoc implementation and, over time, both bad policy and bad implementation. However, the distinction between the soundness of PEM procedures and processes and the goals that they are meant to achieve remains very important. Among other things, the mechanisms, techniques, skills, and data required for good PEM are different from those needed to formulate good policy. The analysis and discussion herein is generally applicable regardless of the strategic priorities and policy choices of the government in question.

The general agreement is that budget and public financial management reforms are designed to accomplish one (or more) of three basic goals or outcomes, which are these following subjects:

- 1) Establishing aggregate fiscal discipline;
- 2) Enhancing the efficiency of resource allocations; and
- 3) Improving operational efficiency in the use of budgeted resources.

These goals are often presented as PEM progress levels, and often inform the sequencing of budget and PEM reform programs. In reality, experience shows that there is no critical sequence of reforms between these three PEM goals. The real issue with reform sequencing is not about which level to pursue first, but about paying adequate attention to getting the basics right.

2.6 Budgeting in Thailand

The beginning of the Thailand Budget Act was in the reign of King Chulalongkorn, when the first Budget Act was enacted in 1913. The core of the Act is that it has set a clear boundary by separating the country’s revenue and the crown

revenue, and set up two agencies to take responsibility for each type of revenue (Boonak, 1979).

Thailand's first Budget Act was used until year 1932, which was the year that Thailand faced its biggest political change, from an absolute monarchy to a constitutional government. The second Budget Act was drawn up to act as a tool for the new political situation in 1933. It was the second Budget Act that started the line item budget system which needed approval from the parliament to be enacted as a national budget law. At the beginning of the revolution, the national budget was responsible to the Ministry of Finance until the year 1957, when it was changed to be under the supervision of the Bureau of the Budget (BOB) which was established under the control of Office of the Prime Minister (Pokpalakorn, 1987).

The change with the BOB establishment under the supervision of the Office of Prime Minister came from the advice of budget theory from the United States. Such advice supported the use of a fiscal system as a tool for the Prime Minister to manage and allocate the government's budget. Furthermore, under the advice of The United States (Public Administration Service – PAS), BOB began to use a new budget system at that time, “Planning, Programming-Budgeting Systems (PPBS)”, for implementation and analysis, since line item budgeting could not fulfill the purpose of the budget and created difficulty in evaluation.

Moreover, after Thailand adopted PPBS, there were a few links that still needed to be connected for pursuing a higher level of performance and transparency and ensuring that the budgeting system would be compatible with government policy by establishing formal links between budget allocation to agencies and government strategies (Dixon, 2005, p. 362). From this policy, the Bureau of the Budget developed a budget system from Performance-Based Budgeting to Strategic Performance-Based Budgeting (SPBB) by considering the achievements of the government strategic delivery target together with decentralization, which allowed ministers, ministries, and departments to manage their own budget for results.

2.6.1 Annual Budget-Preparation Process

According to Jón R. Blöndal and Sang-In Kim, the fiscal year of the Thai annual budget preparation process begins on the 1st of October, while the annual budget

preparation process begins ten months earlier as it usually starts in January. In order to determine the economic assumptions applicable to the budget, which is the first step, it is carried out jointly by four key central economic agencies, which are “the Gang of Four.” They are the Bank of Thailand, the Ministry of Finance, the National Economic and Social Development Board, and the Bureau of the Budget. Each of them makes its own estimation of key macroeconomic variables, with the Ministry of Finance having the principal information on tax revenue. Then, after two to three weeks of informal dialogue, a consensus forecast is established. Hence, by the end of January, the heads of the four agencies formally endorse the consensus forecast and submit it to the Prime Minister for final approval.

At the same time, the Bureau of the Budget makes an update of the Medium-Term Expenditures Framework, its baseline estimation, for the continuation of current government policies. It includes the financial impact of prior decisions, whose full expenditure impacts only materialize in subsequent budgets. This involves a review of the previous year’s operational and financial performance with frequent yet informal contacts between analysts at the Bureau of the Budget and officials at the spending ministries.

Parallel to this, the spending ministries work on their budget submissions in February. The ministries submit their initial bids, and at the same time the four central agencies will have their conclusion. At this point, the Bureau of the Budget is in a position to make a formulation of the budget framework for the following year. According to the work of the Gang of Four, the total resources available for the following year’s budget are known. The update of the baselines for current activities will be completed, hence, money remaining for new initiatives shall be disclosed.

Budgeting plans encompass all activities of the government and specific policies are highlighted. Moreover, the Cabinet generally designates a number of areas separately as priorities. These are referred to as the “Integrated Budgeting Plan”, which may consist of large-scale activities, such as supporting the Narcotic Integrated Plan (drug war) or Infrastructure for Connective Logistics.

Additionally, the parliament makes an authorization in a comparatively large discretionary fund, which is the central fund to the Prime Minister for emergency projects or to meet new priorities (such as enhancing national competitiveness and

sustainable development) during the fiscal year. It contains 20 percent of total government outlays and serves to create additional flexibility in budget implementation. In short, the existence of this fund does not appear to have undermined fiscal discipline, as the fund is generally not used to supplement appropriations for government entities.

After the Prime Minister makes an approval on expenditures with the ceiling proposed by the Bureau of the Budget, by the end of April each minister must submit a new spending request. In the budget preparation process, the Bureau of the Budget makes an establishment in an internal budget committee headed by the budget director and five internal sub-committees. Each sub-committee is headed by the respective deputy director responsible for their specific area. Representatives from the budget policy office, the performance evaluation office, and the budget system development office are also members. Followed by the review of the sub-committees, the internal budget committee reviews its conclusions, makes amendments (in case there are any), and submits the conclusions to the Prime Minister for approval. The cabinet then formally approves them.

The parliamentary budget process begins as the Prime Minister makes an introduction of the government's budget in the House of Representatives in May. Then, leaders of the opposition political parties counter with their different economic and social outlooks and how those will be reflected in the budget. After the first reading of the budget, a macro debate ensues, and the vote must be counted. Then, the Scrutiny Committee is selected to make an examination concerning the government's budget proposal. This committee is a joint legislative executive committee, with the government nominating approximately one-fourth of the total membership. The committee has to finish budget considerations within 105 days. The committee is normally divided into several sub-committees (which are different from the subcommittees established in the Bureau of the Budget during the budget formulation) in order to address the different sectors of the budget. The committee meets in plenary at the beginning of the process, and the overall work program of the government's budget proposal is considered. Then it finishes when final recommendations are made and submitted to the House of Representatives.

After the amendments, the budget goes to the plenary session of the House of Representatives for its second reading. This shall take place in the period of several full days, and then an individual vote is taken on each amendment individually. The last process is the third reading, which is a pro-forma event and an up-or-down vote is taken on the budget as a whole, incorporating the amendments made during the second reading. After its approval in the House of Representatives, the budget is transmitted to the senate, which can only make an up or down vote on the total budget. Once the House of Representatives and the Senate make an approval of the budget, it is submitted to His Majesty the King for Royal Assent.

2.6.2 Budget Appropriation and Financial Management

Jón R. Blöndal and Sang-In Kim have concluded that in the Thai budget system, there are five types of appropriation, which are: personnel expenses, operating expenses, subsidies, investments, and other expenses.

1) Personnel expenses refers to the standard costs of personnel classified as civil servants, whose posts are approved by the Civil Service Commission or other equivalent bodies.

2) Operating expenses refers to day-to-day operating costs and running costs, including special personnel allowances in addition to the standard costs of posts. This category is further divided into several sub-categories. It is now merged into a flexible pool of funds. However, there are still some restrictions; for example, the agencies cannot transfer utilities expenses until they can demonstrate to the Bureau of the Budget that they have paid all their bills in full.

3) Subsidies can either be of a general or specific nature. In all cases, there are separate laws or regulations in place to govern their use. Each subsidy is listed individually in the budget. The possibility of shifting funds between individual subsidies varies, but all cases must have the prior approval of the Bureau of the Budget.

4) Investment refers to the purchase of equipment and the acquisition or construction of capital projects. Equipment must be listed individually in the budget in case it exceeds one million baht. Capital projects must be listed individually if they exceed ten million baht. However, transfer between individually-listed items shall be conducted only with prior approval of the Bureau of the Budget.

5) Other expenses is a unique category. Such appropriations can be for personnel expenses, operating expenses, subsidies, or investments. These appropriations are, however, subject to special reporting on their uses. The amounts involved are generally not large but are sensitive from a political point of view. Examples include the hiring of consultants and foreign travel of government officials, which are areas which may be perceived as susceptible to abuse. Thus, the use of such funds must be reported specifically.

The Bureau of the Budget may make an authorization to government bodies to transfer funds between the above categories or within them. Generally, the Bureau of the Budget is receptive to such requests. There are four guiding principles for such transfers. First, the transfer should not be for new personnel. Second, the transfer should not change the output targets nor change the core objective of the budget. Third, the transfer should not tie up funds in a future budget. Last but not least, the transfer should not be for unplanned overseas trips. The National Assembly has entrusted the executives with great flexibility in the implementation of the budget, and the Bureau of the Budget has taken a cautious approach in delegating this flexibility to individual spending units.

Budget expenditures are important tools of the government in implementing public responsibilities. Budget allocations for the fiscal year reflect the direction of the government administration, which follows the philosophy of a sufficiency economy, especially strategic result-based budgeting, which connects operations of government offices, state enterprises and other state agencies in efficient and systematic integration to achieve a government policy framework on the principles of transparency, fairness, economizing and efficiency.

2.6.3 Economic Outlook for FY 2018

Thailand's economy in 2017 was expected to expand at the rate of 3.5-4.0 percent, an improvement from the growth rate of 3.2 per cent in 2016. Principal supporting factors include: 1) recovery of exports in congruent with favorable adjustments in partners' economies and prices of commodities in the world markets; 2) expansion of the public sector's investments at a high level and accelerating pace; 3) positive adjustments in agricultural production and prices of agricultural commodities;

4) expansion of the tourism sector contributing to the continued support to the economy; and 5) improving adjustments in the domestic automobile market. However, economic expansion is still facing a constraint on a relatively low utilization rate of the manufacturing sector, affecting growth in private sector investments and the economy in general. Additionally, there are risk factors from the volatility of capital movements and exchange rates, implementation of measures and major policies of the United States, and the continued recovery of oil prices and prices of commodities in world markets. Regarding economic stability, which is in a satisfactory condition, the inflation rate is expected to be in the range of 0.4-0.9 percent, while employment will be on a rising trend congruent with the recovery of the manufacturing sector, and the current account balance will be in surplus at approximately 9.7 percent of the Gross Domestic Product (GDP). For the year 2018, Thailand's economy was expected to expand at the rate of 3.3-4.3 percent, a continued growth from the year 2017. Supporting factors include the export growth of goods and services in accordance with the improved condition of the world's economy and trade along with the continued expansion of domestic demand following the progress of the government's important infrastructure investment projects. Apart of that, the recovery in investments of the private sector has become more apparent and continues to expand at a higher rate, while household spending has shown signs of continued expansion in accordance with the recovery of the export and tourism sectors and the return to normalcy of the agricultural sector. Moreover, economic stability continues to be in satisfactory condition. The inflation rate is expected to be in the range of 1.5-2.5 per cent, while the current account balance will be on the surplus side at approximately 7.6 per cent of GDP

2.6.4 The FY 2018 Budget Policy

In the preparation of the FY 2018 budget, the government gave priority to continuity in administering the country to mobilize government strategies and policies in order to achieve concrete results and effectiveness. Emphasis was made on the building of a sustainable foundation for the country in terms of strategic and area integration by strengthening the domestic economy, lessening inequality, improving quality of life, along with an increase in competitiveness and life-long development of human potential. This will bring about a balance in the country's development with

respect to the economy, society, culture, security, natural resources and the environment by adopting His Majesty King Bhumibol Adulyadej's sufficiency economic philosophy as a guideline in allocating the country's resources. In preparing the budget for FY 2018, the government set the following policy: 1) A deficit budget policy will be adopted with consideration of the fiscal sustainability framework and necessity of the public expenditures in mobilizing the expansion of Thailand's economy with stability, 2) Priority will be given to a strategically integrated approach in preparing the budget within the ministries/agencies and between the ministries/agencies in conjunction with an integrated approach in the area dimension. Emphasis will be given to the needs of people in the area of enabling problem solving and promoting development in order to extend prosperity throughout the region on a continued basis in congruence with the medium-term and long-term master plans, 3) Government agencies, state enterprises and other agencies will be required to prioritize their responsibilities with regard to necessity, urgency, cost effectiveness, their own capabilities and readiness for operations, in order to allocate the budget expenditures with reasonableness, efficiency and for the maximum benefit to the people, 4) Government agencies, state enterprises and other agencies will be required to review their budget spending to include all budget and extra budgetary sources. Agencies with revenues, retained surpluses and capital funds will consider using those funds to fulfill their responsibilities as well, 5) Ministries/agencies will be required to review their operations and responsibilities for redundancies, cost ineffectiveness or declining priorities in order to transfer the designated budget expenditures to other operations of higher priority and apparent direct benefits to the people, especially those with regard to strategically and area-based integrated budget expenditures, and 6) Fiscal potential of Local Administrative Organizations will be enhanced to accommodate the transfer of the provision of local public services to improve the people's quality of life and to diminish disparities among localities in conjunction with the development of the Local Administrative Organization's efficiency in revenue collection and effectiveness of their spending. For FY 2018, the government set the amount of 2.9 trillion baht for budget expenditures, equivalent to 18.1 percent of GDP, to provide the government agencies, state enterprises and other agencies with sufficient funds to mobilize the government's policies and strategies in accordance with the country's current economic and social

conditions. The net revenue was estimated at 2.45 trillion baht, equivalent to 15.2 percent of GDP, while borrowings of 45 billion baht, equivalent to 2.8 percent of the GDP, would be made to balance the deficit budget. The amount of deficit was still at a level which would not affect the country's fiscal discipline and position in the long term.

2.6.5 Budget Structure

The summary of budget structure contains these following points:

1) The Budget Expenditures for FY 2018: The FY 2018 budget expenditure was at the rate of 2.9 trillion baht in total, with a decrease of 23 billion baht, or 0.8 percent from FY 2017. It was equivalent to 18.1 percent of GDP.

2) Current Expenditures: Current expenditures were set at 2.1532768 billion baht, a decrease of 2.4092 billion baht, or 0.1 percent lower than those of FY 2017. These expenditures accounted for 74.2 percent of the total budget compared with 73.8 percent for FY 2017.

3) Capital Expenditures: Capital expenditures amount was at 659.7809 billion baht, an increase of 732 million baht, or 0.1 percent higher than those of FY 2017. The proportion was equivalent to 22.8 percent of the total budget in comparison with 22.5 percent for FY 2017. Principal Repayments: The amount of 86.9423 billion baht was designated for principal repayments, an increase of 5.7555 billion baht, or 7.1 percent over those of FY 2017. These repayments accounted for 3.0 percent of the total budget compared with 2.8 percent for FY 2017.

Table 2.1 The Budget Structure for FY 2017-2018 is Summarized

Budget Structure				
FY 2017-2018				
(in million baht)				
Budget Structure	FY 2017		FY 2018	
	Amount	+ / - %	Amount	+ / - %
1. Expenditures	2,923,000.0	5.3	2,900,000.0	-0.8
(% GDP)	19.2		18.1	
- Current expenditures	2,155,686.0	1.3	2,153,276.8	-0.1
(% of the total budget)	73.8		74.2	
- Expenditures for replenishment of treasury account balance	27,078.3	23.8	-	-100.0
(% of the total budget)	0.9		-	
- Current expenditures	659,048.9	16.8	659,780.9	0.1
(% of the total budget)	22.5		22.8	
- Principal repayment	81,186.8	31.0	86,942.3	7.1
(% of the total budget)	2.8		3.0	
2. Receipts	2,923,000.0	5.3	2,900,000.0	-0.8
(% GDP)	19.2		18.1	
- Revenues	2,370,078.3	-0.7	2,450,000.0	3.4
- Domestic borrowings	552,921.7	41.8	450,000.0	-18.6
3. Gross Domestic Product (GDP)	15,185,500.0	5.7	16,066,300.0	5.8

Source: Budget Bureau, 2018.

2.6.6 Expenditures Classified by Groups

The structure of the FY 2018 budget expenditures in the amount of 2.9 trillion baht can be classified into 6 groups, which are:

1) Central Fund of 978235 billion baht, equivalent to 3.4 percent of the total budget (excluding expenditures on medical treatment of civil servants, employees and government personnel in the amount of 63 billion baht, which is included in the agenda-based group of expenditures and personnel expenditures, the said amount is included in the group of expenditures for public sector personnel).

2) Group of expenditures for public sector personnel of 1.0214882 trillion baht, which is equivalent to 35.2 percent of the group of expenditures budget.

3) Group of expenditures for ministries/agencies (Function) of 577.0638 billion baht, which is equivalent to 19.9 percent of the total budget (excluding budget of Local Administrations) as classified by - Program on fundamentals of 303.1374 billion baht. This amount was equivalent to 52.4 percent of the group of expenditures budget. Program on strategies was 273.9264 billion baht, which was equivalent to 47.5 percent of the group of budget expenditures.

4) The group of expenditures for integration (Agenda) for a total of 26 programs of 572.4821 billion baht was equivalent to 19.7 percent of the total budget.

5) The group of expenditures for areas (or Area) (which consist of responsibilities of areas, localities, regions, provinces, and clusters of provinces) for the total of 3 programs of 370.3235 billion baht was equivalent to 12.8 percent of the total budget.

6) The group of expenditures on public sector debt management in the amount of 260.8189 billion baht was equivalent to 9.0 percent of the total budget. The budget expenditures classified by groups for FY 2017-2018 are summarized in table 2.2.

Table 2.2 The Budget Structure Classified by Group

Expenditures Classified by Groups				
FY 2017-2018				
(in million baht)				
Budget Structure	Appropriation		Changes Over	
	FY 2017	FY 2018	FY 2017	
	Amount	%		
Total	2,923,000.0	2,900,000.0	-23,000.0	-0.8
Group of expenditures for				
Central Fund	127,307.6	97,823.5	-29,484.1	-23.2
- Central Fund	127,307.6	97,823.5	-29,484.1	-23.2
Group of expenditures for				
public sector personnel	1,008,007.6	1,021,488.2	13,480.6	0.5
Group of expenditures for				
ministries/agencies (Function)	682,927.7	577,063.8	-105,863.9	-15.5
- Programmer on				
fundamentals	552,922.1	303,137.4	-249,784.7	-45.2
- Programme on strategies	130,005.6	273,926.4	143,920.8	110.7
Group of expenditures				
for integration (Agenda)	446,673.0	572,482.1	125,809.1	28.2
- Programme on integration	446,673.0	572,482.1	125,809.1	28.2
Group of expenditures				
for areas (Area)	387,524.3	370,323.5	-17,200.8	-4.4
Group of expenditures on				
Management of public debt	270,559.8	260,818.9	-9,740.9	-3.6
- Programme on management				
of public debt	243,481.5	260,818.9	17,337.4	7.1
- Expenditures for				
replenishment of treasury				
account balance	27,078.3	-	-27,078.3	-100.0

Source: Budget Bureau, 2018.

2.6.7 Strategy for the FY 2018 Budget Allocation

Strategy for the FY 2018 budget allocation was developed with emphasis on being in harmony with the translation of objectives and strategic issues of the framework of the 20-year (2017-2036) National Strategy, the 12th (2017-2021) National Economic and Social Development Plan, the 2015-2021 National Security Plan, the National Master Plan and the government's major policies, in order to assemble the government's operations with stability and particular results by adopting His Majesty King Bhumibol Adulyadej's "sufficiency economy philosophy" as a guideline in implementation with regard to the principles of sufficiency, rationality and effective immunity for the country's security and the people's prosperity on a sustainable basis. The FY 2018 budget allocation consists of 6 strategies and a list of expenditures on general administration under each strategy for a total of 56 programs. Important aspects of the strategy can be summarized as follows:

- 1) Strategy 1: National Security
- 2) Strategy 2: Development of the country's competitiveness
- 3) Strategy 3: Human potential development and reinforcement
- 4) Strategy 4: Poverty problem resolution, inequality reduction and internal growth creation
- 5) Water management and creation of growth on quality of life, friendly to the environment with sustainability
- 6) Strategy 6: Realignment for balance and development of administrative systems in the public sector
- 7) Strategy 7: Expenditures of the general administration

Table 2.3 The Budget Structure for Allocation Strategy

Budget Allocation Strategy		
(in million baht)		
Budget Allocation Strategy	Budget	
	Amount	%
Total	2,900.000.0	100.0
1. National security	271,267.2	9.4
2. Development of the country's competitiveness	467,719.6	16.1
3. Human potential development and reinforcement	571,885.5	19.1
4. Poverty problem resolution, inequality reduction and internal growth creation	331,920.5	11.4
5. Water management and creation of growth on quality of life friendly to environment with sustainability	121,425.6	4.2
6. Realignment for balance and development of administrative system of the public sector	783,039.1	27.0
7. Expenditures on general administration	352,742.5	12.2

Source: Budget Bureau, 2018.

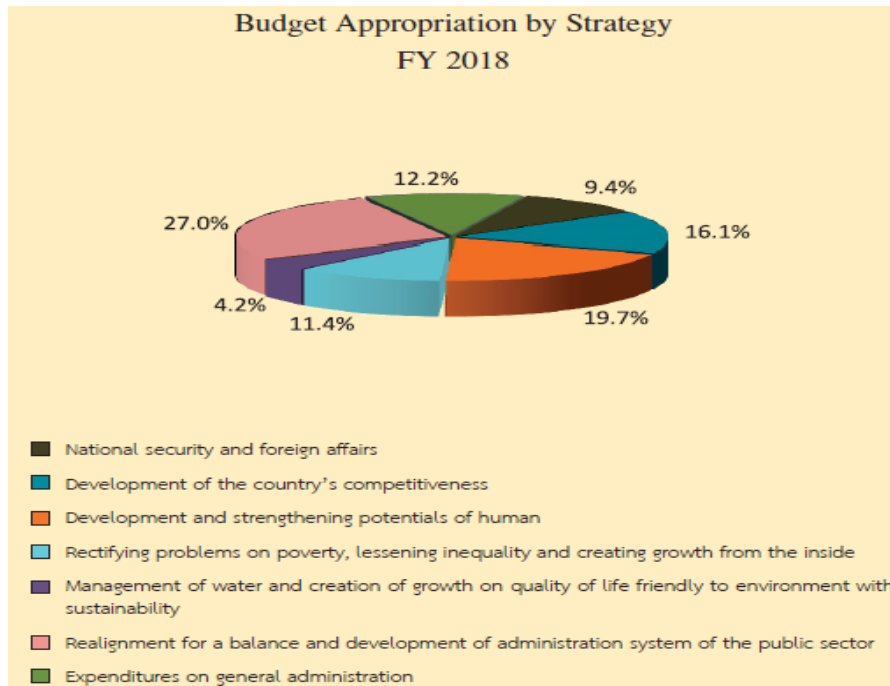


Figure 2.2 Budget Appropriation by Strategy

Source: Budget Bureau, 2018.

2.7 National Security Budget 2018 (Narcotics)

The government assigned the budget for protecting the country's security, establishment of foremost national institutions, upholding and preserving the kingdom, maintaining domestic order and reinforcing potential for the country's judicial system. Importance was given to the strengthening of international associations on security, creating perseverance and unity, mobilizing solutions to the problems in the southern boarding provinces, and administration of problems concerning migrant workers and human trafficking, along with preventing, suppressing and offering treatment for drug addiction. The amount of 271.2672 billion baht, equivalent to 9.4 per cent of the total budget, was located for National Security.

The integrated program on the suppression and treatment of drug dependence is one of the most focused on subjects of this study. 4.9097 billion Thai monetary units was allotted to strengthen the society, creating it safe from the perils of narcotics by accentuating youngsters, youth, and therefore the public, together with the manpower needed to suppress producers, traffickers and importers of narcotics along with the

networks of powerful persons concerned in breaking the laws on narcotics. International co-operation on management and interception of narcotics is ongoing and strong. Additionally, drug addicts are going to be given treatment and rehabilitation, they'll be welcomed back to society to lead a traditional life under follow-up and help programs to further prevent them from returning to narcotics, as illustrated in Table 2.4.

Table 2.4 Budget Allocation Strategy/Program 2018

Budget Allocation Strategy/Program 2018	Amount (in Million Baht)
Total	2,900,000.0
National security	271,267.2
Strategic program on strengthening the nation's principal institutions	4,000.81
Integrated program on creation of reconciliation and unity.	500.51
Integrated program on mobilization of problem rectification of southern border provinces.	13,255.81
Integrated program on management of problems on alien workers and human trafficking.	826.11
Integrated program on prevention, suppression and treatment of drug addiction	4,909.71.
Strategic program on promoting international relations on security	198.11.7
Strategic program on maintaining internal peace and order	5,815.71.
Strategic program on strengthening national defense potentials.	75,135.51
Program on public sector personnel (national security).	106,951.71
Fundamental program on national security	59,673.32

2.8 Summary

This chapter deals with the linking of policy, planning, budgeting and organizational theories across the whole government and at a sectional level. The chapter provides guidance on institutional mechanisms that facilitate the allocation of resources to achieve strategic objectives. Affordability must influence policy making and planning at the point when the decision is made. Where adjustment is required to deal with changing macroeconomic conditions and, even more particularly, changing priorities, that adjustment needs to take place through policy change to be sustainable. A medium-term approach that encompasses all expenditure provides a linking framework and facilitates the management of policies and budget realities to reduce pressure throughout the whole budget cycle. The result is better control of expenditures and greater efficiency and effectiveness in implementing policies, programs and projects. This chapter provides guidance on approaches to some of these issues and improves these linkages throughout the full cycle of policy, planning and budgeting. Failure to link policy, planning and budgeting may be the single most important factor contributing to poor budgeting outcomes at the macro, strategic and operational levels in developing countries. In many countries, the systems are fragmented. Policy making, planning and budgeting take place independently of each other. In this chapter, the strategies used by several scholars were evaluated using existing literature to determine if a collaborative approach to budgeting will provide better results. A collaborative approach to budget creation could provide a comprehensive sense of ownership among employees who want to experience inclusion in the budget process and contribute to operational results.

CHAPTER 3

RESEARCH METHODOLOGY

Research methodology is a system set up for conducting analysis and also a method of collecting productive information. This chapter begins by describing the analysis paradigm so as to know and address the issues as logically as attainable in Thailand's budget policy. Next, the analysis style was chosen so as to administer direction and to integrate the various parts of the study in an exceedingly harmonious and logical manner for an alternative approach for current IBPs. Furthermore, the clarification of units of study, population, sample size, sampling technique, operational definition, mensuration, information assortment ways and instruments, information management and ways of study are collected to form additional data bases.

3.1 Conceptual Framework

The chosen conceptual framework will guide researchers to settle on a theory and apply a supported and basic set of beliefs that establishes a collection of practices and a worldview to form a holistic view of information. This study has tried to settle on acceptable analytical tools so as to see the particular analysis queries, and additionally to investigate causal relationships among the variables of policy performance once the research problem has been narrowly outlined. The investigation was then influenced by the literature review and also the designed instruments to get information that is capable of objective examination and expression.

Policy integration issues in the management of cross-cutting problems in politics transcend the boundaries of established policy fields that don't regularly correspond to the institutional responsibilities of individual departments. Within the policy literature, many disciplines address policy integration, though not continuously pertaining to this explicit term. A range of alternative connected (and generally synonymous) terms include those like policy coherence, cross-cutting political,

combined decision-making, policy consistency, holistic government, joined-up government and, above all, policy co-ordination. These ideas have developed at intervals as structured theories like those on inter-organizational co-operation and co-ordination, collaboration, intergovernmental management and network management. So as to boost understanding of the concept of policy integration, this paper reviews and compares these varied ideas and theories and relates them to the problem of policy integration. Thus, the conceptual framework is derived.

Conceptual Framework

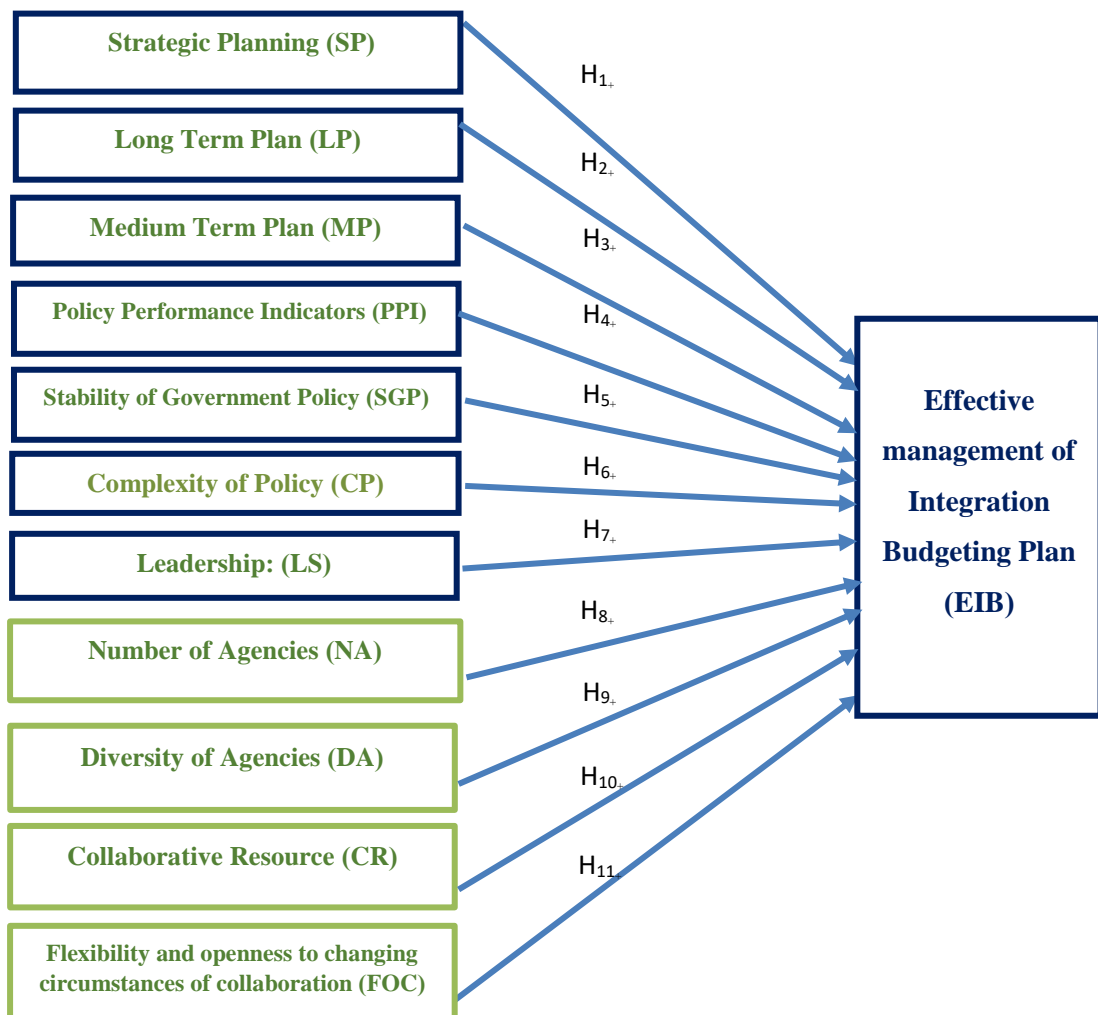


Figure 3.1 Conceptual Framework

This model aims to utilize the relation between Policy Factors and Inter-organizational Factors with the effectiveness of an Integration Budgeting Plan in order to find out the significant factors for budget management. In order to be effective, the creation of the budget should be a collaborative approach in order for the organization and for individuals to succeed. Establishing a cohesive, cooperative, and decision-making plan that evaluates alternatives determines that a financial model can be a manifestation of the integrated approach that should be considered when preparing annual budgets or forecasts. Government organizations, as well as private industry, continue to search for improvements to the budget process. Participatory budgets are gaining more popularity in the governmental field (Schick, 2013).

Budgeting is a fairly simple concept. IBP budgeting means that employees and subordinates decide what priorities and projects should be included when preparing the budget (Baiocchi & Ganuza, 2014). An open structure of budget planning that decides on procedures that regulate effective communication also contributes to a successful budget plan. This framework aims to see increasing predictability of resource flows, the criteria by which funding decisions are made are the objectives of the IBP approach. In many developing countries, the resource allocation process is plagued by uncertainty, much of which is self-inflicted. The common tendency to make overly optimistic revenue projections is one example of how governments themselves increase the uncertainty of resource flows.

3.1.1 Hypothesis

A hypothesis can be defined as a tentative clarification for associating natural observations, phenomenon, or the scientific downside, which will be tested by more investigation. This suggests that a hypothesis is the stepping stone to a soon-to-be proved theory. For a hypothesis to be thought of as a scientific hypothesis, it should be proved through a methodology. Like the rest in life, there are several ways to come to an equivalent ending. Hypothesis testing refers to the statistical test that is used by researchers or statisticians to determine whether there is enough evidence in the sample data from an entire population. The meaningful results of a test, survey, experiment, or observation would lead one to accept or reject statistical hypotheses. By way of explanation for the entire population, if one is true, the other must undoubtedly be false.

This study has 11 hypotheses, as follows:

H₁: Strategic planning impacts effective management of an Integration Budgeting Plan.

H₂: A long term plan impacts effective management of an Integration Budgeting Plan.

H₃: A medium term plan impacts effective management of an Integration Budgeting Plan.

H₄: Policy Performance Indicators impact effective management of an Integration Budgeting Plan.

H₅: Stability of Government policy impacts effective management of an Integration Budgeting Plan.

H₆: Complexity of Policy impacts effective management of an Integration Budgeting Plan.

H₇: Leadership impacts effective management of an Integration Budgeting Plan.

H₈: The number of agencies impacts effective management of an Integration Budgeting Plan.

H₉: Diversity of agencies impacts effective management of an Integration Budgeting Plan.

H₁₀: IBP Resources impacts effective management of an Integration Budgeting Plan.

H₁₁: Flexibility and openness to changing circumstances of collaboration impacts effective management of an Integration Budgeting Plan.

3.2 Operational Definition

Operational definition refers to the clear and detailed measures of the variable when applied to data collection in order to eliminate ambiguity. In quantitative research, the variables must be operationalized where everyone in the system has the same comprehension in order to ensure consistent data collection and to obtain valuable data. The details are as follows:

3.2.1 Independent Variables

An independent variable is defined as the variable that is changed or controlled in research. It represents the cause or reason for an outcome. Independent variables are the variables that the experimenter changes to test the dependent variable. A change in the independent variable directly causes a change in the dependent variable. The effect on the dependent variable is measured and recorded. A budget may be described as a quantitative expression of a plan and the process of converting the plan into a budget planning procedure. IBP is one of the most widely used tools for planning and controlling public and private organizations. The budgeting process may be quite formal in a large institution, with committees set up to perform tasks. On the other hand, in a very small firm the owner may write down the budget on a piece of paper or just budget in his head about the items which he can remember easily. A properly managed budget can promote sustainable profits in many organizations. The actions that follow managerial decisions normally involve several aspects of organizational units, such as marketing, production, purchasing and finance functions, and it is important that the management coordinate these various interrelated aspects of decision-making. If management fails to try and do this, there's the danger that managers could build selections that they believe are within the best interests of that organization when, in fact, all along they're not; as an example, the sales department could introduce a promotional campaign that's designed to extend sales demand that the assembly department will have to handle. The assorted activities at intervals in an organization ought to be coordinated by integrated arrangement. In this research, there are 11 independent variables and 1 dependent variable which is derived from the literature stream as described in Table 3.1, below:

Table 3.1 Abbreviations

Abbreviation	Meaning
SP	Strategic Planning
LP	Long Term Planning
MP	Medium Term Planning
PPI	Performance Indicator
SGP	Stability of Government Policy
CP	Complexity of Policy
LS	Leadership
NA	Number of Agencies
DA	Diversity of Agencies
CR	IBP Resource
FOC	Flexibility and openness to changing circumstances of collaboration
EIB	Effective Management of Integration Budgeting Plan

Table 3.2 Overview of Definitions and Dimension of Independent Variables

Variable	Definition	Dimension of measurement	Ground Theory
1. Strategic Planning	The processes by which a community, an agency or individual establishes the goals or objectives it wishes to achieve and the necessary steps to achieve them.	Significance of Strategic planning toward effectiveness of management for an Integrated Budgeting Plan.	OECD (1996, pp. 41-42), Jones and Pendlebury (1992, pp. 50-51), Osborne and Gaebler (1993), World Bank (2004), Wildavsky (2003).
2. Long Term Planning	It states mission, goals, and objectives, and the strategy for achieving those goals and objectives (over 5 years in length).	Significance of Long term planning toward effectiveness of management for an Integrated Budgeting Plan.	Marc Robinson and Duncan Last (2009), Tosun and Lang (2017), Schaffrin et al. (2015), World Bank (2004), Wildavsky (2003).
3. Medium Term Planning	States mission, goals, and objectives, and the strategy for achieving those goals and objectives (3-5 years).	Significance of Medium term planning toward effectiveness of management for an Integrated Budgeting Plan.	Marc Robinson and Duncan Last (2009), Tosun and Lang (2017), Schaffrin et al. (2015), World Bank (2004), Wildavsky (2003).

Table 3.2 (Continued)

Variable	Definition	Dimension of measurement	Ground Theory
4. Performance Indicator	The objective of this linkage is to boost performance.	Significance of Performance indicators toward effectiveness of management for an Integrated Budgeting Plan.	Hou and Brewer (2010), Marc Robinson and Duncan Last (2009), Tosun and Lang (2017), Schaffrin et al. (2015), World Bank (2004), Wildavsky (2003).
5. Stability of Government Policy	Difficulty for existing policies to be changed.	Significance of Performance indicators toward effectiveness of management for an Integrated Budgeting Plan.	Laffan and O'Mahoney (2007), Jochim and May (2010), May, Jochim, and Sapotichne (2011), Tosun and Lang (2017), Tsebelis 2002
6. Complexity of Policy	Complexity of integrated planning, with its many drivers and actors.	Significance of Complexity of Policy toward effectiveness of management for an Integrated Budgeting Plan.	Agranoff (1996), Alter and Hage (1993), Clinton and Gore (1997), Schaffrin et al. (2015), Wildavsky (2003), World Bank (2004).

Table 3.2 (Continued)

Variable	Definition	Dimension of measurement	Ground Theory
7. Leadership	Representativeness and commitment power of representatives of agencies within a network.	Significance of Leadership toward effectiveness of management for an Integrated Budgeting Plan.	Kickert and Koppenjan (1997), Marc Robinson and Duncan Last (2009), OECD (1996, pp. 41-42), Tosun and Lang (2017), Schaffrin et al. (2015), Wildavsky (2003).
8. Number of Agencies	Actors involved in interaction processes.	Significance of number of agencies toward effectiveness of management for an Integrated Budgeting Plan.	Andrews et al. (2009), Kickert and Koppenjan (1997), Roberts and Wargo (1994), Sanchirico et al. (2009), World Bank (2004).
9. Diversity of Agencies	The success of network management depends on the degree to which efforts to influence the process take account of the multi-form of the network and the actors who operate within it.	Significance of Diversity of agencies toward effectiveness of management for an Integrated Budgeting Plan.	Keiser and Meier (1996), Kickert and Koppenjan (1997), May et al. (2005), May, Sapotichne, and Workman (2006), OECD (1996, pp. 41-42).

Table 3.2 (Continued)

Variable	Definition	Dimension of measurement	Ground Theory
10. IBP Resource	Process by which parties who see different aspects of a problem can constructively explore their differences and search for solutions that go beyond their own limited vision of what is possible.	Significance of IBP Resources toward effectiveness of management for an Integrated Budgeting Plan.	Alter and Hage (1993, p. 87), Huxham (1996), Gray (1989, p. 5), Marc Robinson and Duncan Last (2009), OECD (1996, pp. 41-42), Tosun and Lang (2017), Schaffrin et al. (2015).
11. Flexibility and Openness to changing circumstances of collaboration	The actors involved are usually developing formal IBP relationships because of their collective goals, and to create flexibility to implement solutions to complex problems.	Significance of Flexibility and openness to changing circumstances of collaboration toward effectiveness of management for an Integrated Budgeting Plan	Guo & Acar, (2005), Lawrence, Hardy, & Phillips (2002), Marc Robinson and Duncan Last (2009), Selden et al., (2006), Tosun and Lang (2017), Schaffrin et al. (2015).

3.2.2 Dependent Variables

Budgets play an effective role in achieving structured strategic goals, in this sense budgets are units through which one will reach the goals that have been set. In budget development one tries to foresee whether or not strategic goals will meet with success and be reached or not. Budgets set standards to realize goals and might facilitate in evaluating the fluctuations that occur throughout the year and take a look at them to determine the explanations.

The outlined goals of completely different organizations have different goals. As an example, an increasing range of consumers will increase profit, increase quality of services provided and improve performance to a particular higher level. Organizational resources are units that are required to be used, and thus enhance its action. Therefore IBP is significant to any organization that wants to progress completely.

Despite traditional budgeting methods being in situ in several organizations, the goals set by them do not seem to be met or are units met at some low level. This study builds an assessment to get the attainable factors needed to observe the effectiveness of budgeting method in achieving structured goals, which is the dependent variable for this study. The dependent variable is dependent on the independent variable. As the result changes the independent variable, the effect on the dependent variable is observed and recorded. There is one dependent variable in this research, which is described in Table 3.3 below:

Table 3.3 Overview of Definitions and Dimension of the Dependent Variable

Variable	Definition	Dimension of measurement	Ground Theory
1. Effective management of Integration Budgeting Plan	The process whereby two or more agencies create and/or use existing decision rules that have been established to deal collectively with their shared task environment.	<ul style="list-style-type: none"> • Ensuring consistency and coherence between the various objectives and elements of a single policy or project. • Ensuring that policy is translated into a consistent and coherent set of appropriate actions within one or more departments or organizations. • Ensuring that service delivery practices at the field level are such that a consistent, coherent and comprehensive package of help is available to people with specified needs. 	Alter and Hage (1993, p. 87), Challis et al (1988, p. 29), Huxham (1996), Gray (1989, p. 5), Marc Robinson and Duncan Last (2009), Mulford and Rogers (1982, p. 12), OECD (1996, pp. 41-42), Tosun and Lang (2017), Schaffrin et al. (2015), World Bank (2004), Wildavsky (2003).

3.3 Research Design

The study of a Narcotic Integrated Budgeting Plan uses available data from fiscal year 2017 to 2018 (1 October 2016 - 30 September 2018). In the initial chapter, an objective was created to outline the rationale for the study by analyzing how effective the budgeting method is in achieving government organizational goals. It is known that totally different organizations set budgets as a way to foresee whether or not their strategic goals don't seem to be met regardless the efforts. Thus, the research design is considered a descriptive and exploratory study. The field of mixed methods has only been widely accepted for the last decade, though researchers have long been using multiple methods, just not calling them "mixed." Mixed methods research takes advantage of using multiple ways to explore a research problem. Also, the mixed-method research design would be appropriate for gathering both qualitative and quantitative data for solving research problems.

1) Quantitative

This chapter basically views the literature, which includes journals, papers, magazines and articles, just to mention a few. However, empirical evidence from various different levels shows that the budget is an essential tool in organizations. Questionnaires were distributed to a target population of 19 out of 26 related government officials to explore the linkages and related factors regarding the effectiveness of budget policy. A combination of different approaches was used, whereby each approach serves a different but complementary role within an overall research design.

2) Qualitative

In-depth interviews were selected to explore and explain the nature of this study. An in-depth interview is a loosely structured interview. It allows freedom for both the interviewer and the interviewee to explore additional points and change the direction. The questions will be open-ended questions, which allows the interviewees to freely answer the question.

Also, a qualitative method was used in this case study. A case study is a research strategy and an empirical inquiry that investigates a phenomenon within its real-life context. Case studies are based on an in-depth investigation of a single individual, group

or event to explore the causes of underlying principles of effectiveness for budget policy.

3.3.1 Population

The key informants were selected executives, officers and government officials related to Thailand's Bureau of the Budget (BOB) and Office of the Narcotics Control Board (ONCB). Senior officers and executives who are responsible for and have experience with working on the Narcotic Integrated Budgeting Plan were essential to the study. The study points out the awareness of IBP staff in budget preparation, types of budget prepared by IBP, how the budget contributes to the success of IBP, and the challenges that IBP faces in the budgeting process. Authorities explain the budget summary, conclusion and recommendations on how effective the budget can be to an organization in its budget planning. Government officials from the Planning Department, Policy and Strategy Department, and Budgeting Department are among the qualifying populations for this study.

3.3.2 Sample Size

This section offers the theoretical base of the study and explains what has already been done and located by the investigator within the selected target population. It specifically reviews literature regarding the performance of various organizations in regard to budgeting. The budget committee may be a coordinative body for the preparation and administration of budgets, it consists of the executive who may be a chairman, division heads, and the budget officer who is responsible for the effective operations of the budget committee. The master budget may be a comprehensive structure-wide set of budgets. The master budget ends up in a collection of connected budgets for a collection period of time, typically one year. It coordinates all the monetary projections in an exceedingly single structure-wide set of budgets for a predetermined amount of time and provides a general image of the planned performance for the budget period. It includes operational budgets and purposeful budgets. Sample size is critical in research in that it represents the number of observations being selected in order to represent the overall possible population to which the researcher intends to generalize. In order to yield accurate results and reliable

data, the sample size must be appropriate to make conclusions about the population as a whole. In this research, there are many parties involved in the budgeting plan process. This study focusses only the part of budget planning and does not cover expected outcome delivery, due to the requirement of different angles and factors. They can be classified as follows:

Table 3.4 Distribution of Sample Observations

	Agencies	Government official	%
1.	Internal Security Operations Command	n/a	n/a
2.	Office of the Permanent Secretary for Ministry of Defense	n/a	n/a
3.	Royal Thai Armed Forces Headquarters	n/a	n/a
4.	Royal Thai Army	n/a	n/a
5.	Royal Thai Navy	n/a	n/a
6.	Royal Thai Air Force	n/a	n/a
7.	Department of Juvenile Observation and Protection (DJOP)	16	1.8%
8.	Office of the Permanent Secretary for Ministry of Interior	75	8.8%
9.	Department of Provincial Administration (DOPA)	29	3%
10.	Department of Probation	11	1%
11.	Department of Juvenile Observation and Protection (DJOP)	12	1%
12.	Department of Corrections	13	2%
13.	Office of the Narcotics Control Board	290	34%
14.	Office of the Permanent Secretary for Ministry of Labour	19	0.02
15.	Department of Labour Protection and Welfare	37	4%

Table 3.4 (Continued)

	Agencies	Government official	%
16.	Office of the Permanent Secretary for Ministry of Education	49	6%
17.	Office of the Basic Education Commission (OBEC)	66	8%
18.	Office of the Vocational Education Commission	47	6%
19.	Office of the Higher Education Commission	26	3%
20.	Office of the Permanent Secretary for Ministry of Public Health	42	5%
21.	Department of Medical Services (DMS)	19	2%
22.	Department of Medical Sciences (DMSC)	14	2%
23.	Department of Mental Health (DMH)	58	7%
24.	The Food and Drug Administration (FDA)	3	0.3%
25.	Royal Thai Police	n/a	n/a
26.	Anti-Money Laundering Office (AMLO)	27	3%
	Total (N)	853	

Source: Office of the Civil Service Commission, 2016.

The minimum sample of this research is calculated by using the Taro Yamane (Yamane, 1973) formula with a 95% confidence level. The calculation formula of Taro Yamane is presented as follows.

$$n = N / 1 + N(e)^2$$

Where :

n = sample size required

N = number of people in the population

e = allowable error (%)

$$n = 853 / 1 + (853(0.05)^2)$$

$$n = 273 \text{ (Rounded)}$$

3.3.3 Sampling Design

The sample design refers to the rules and procedures by which some elements of the population are included in the sample. Different sampling methods may use different estimators. This research uses transcripts of individual interviews and focus groups or field notes, copies of documents, and audio recordings from observation of certain activities. In a qualitative aspect, stratified sampling was selected. This is a probability sampling technique wherein the researcher divides the entire population into different subgroups or strata, then randomly selects the final subjects proportionally from the different strata.

Sampling in qualitative research is mainly purposive with specific criteria in the research design. It seeks conceptual applicability rather than quantitative representativeness. This study seeks to capture the range of views/experiences, pursue saturation of data and draw a theory from the data of policy effectiveness, which is an opportunistic sampling approach.

3.4 Data Collection

Each response to a question is going to be further backed up with different associated statements so as to supply a selected purpose for a grouping of knowledge, or it is analyzed one by one. Then the entire collected knowledge through quantitative and qualitative strategies is analyzed by statistical program. Moreover, a share of the observations, either in private or grouped statements, is going to be processed by a share or distribution so as to show the list of information within the analysis. Additionally, the researcher uses descriptive statistics and different inferential statistics. The kind of information collected that falls among the scope of statistics is distributed into 2 varieties, as follows.

3.4.1 Primary Data

The original data collected or observed by the researcher for the specific purpose and requirement of the study are called the primary data, the main source of the data for the purpose of this study was derived from the respondents. Each response to a question is added up with different associated statements so as to provide a particular purpose for a grouping of knowledge, or it may be analyzed separately. Then, the entire collected knowledge through quantitative and qualitative ways was analyzed using an applied statistical program. Moreover, the observations, either as a personal or a grouping of statements, is processed by a share or statistical distribution so as to show the list of knowledge within the analysis. Additionally, the researcher uses descriptive statistics and different inferential statistics. The kind of knowledge collected that falls at intervals within the scope of statistics may be distributed into 2 varieties. Thus, a structured questionnaire survey as a quantitative research method is conducted as a method of collecting the quantitative primary data, and semi-structured interviews with high-level managers are organized to collect the qualitative primary data.

In detail, the structured questionnaire survey is a five-point Likert scale comprised of four sections. The first section covers questions regarding the respondent's background information. The second section addresses specific questions regarding budget characteristics. The third section addresses the factors that influence the practice of budgeting. The fourth section is related to the effectiveness of the budget policy.

3.4.2 Secondary Source

The primary data is obtained through a structured questionnaire survey and interview, the study also includes secondary data for analysis by collecting information from conference and meeting materials. Moreover, some information was obtained from reliable online sources and newspapers. As mentioned earlier, a review of previous research on policy performance, both from academic and public agency backgrounds, was also examined in order to perceive the development of budget activity.

3.5 Research Instrument

In order to display the data in the study, the percentage of frequency distribution from the numbers or percentage of the observations, either in individual or grouped data, is explained to specify the set of data in the research. The descriptive statistics often are a percentage with standard deviation and average or arithmetic mean, which is used to explain the characteristics of a particular sample as follows:

- 1) The percentage is used for analyzing demographic and background characteristics.
- 2) Arithmetic mean or average value is the average of all values in a data set from a survey that can be used for analyzing the general characteristics of the samples.
- 3) Standard deviation is in relation with the arithmetic mean for analyzing the distribution of the data.

Likert scales are used as response scales to adopt studied structured questionnaires and in order to obtain the degree of the respondent's opinions and attitudes or the respondent's agreement level with the lists of statements. Likert scales are a non-comparative technique in a single dimension, which means a single characteristic can distinctly be called summative scales. Thus, each response to a question will be added up with other associated statements in order to produce a specific point for a grouping of data, or it can be analyzed individually. Respondents were requested to express their agreement level with a series of statements. However, an individual's attitudes should be classified and measured as ordinal data because the distance between two variables is not necessarily equal. Unless the distance between two variables is constant, it can be treated as interval data. However, many researchers treat responses as if they were interval data but, in fact, they cannot assume that respondents recognize the difference between adjacent levels to be equal. Thus, this study used Likert scales with a five-point Likert scale ranging from "strongly agree" to "strongly disagree" with the "neutral" (neither agree nor disagree) option being in the middle.

Allen and Seaman (2007, pp. 64-65) asserted that Likert scaling is a bipolar scaling method, measuring either a positive or a negative response to a statement. Therefore, this study applied Likert scaling techniques to measure the values. The

researcher used the criteria to scale the rating of class interval to interpret the mean score. The measured interpretation must explain and specify the score to show how to compute it, as shown below.

The score from 1.00-1.80 means Strongly Disagree

The score from 1.81-2.61 means Disagree

The score from 2.62-3.41 means Indifferent

The score from 3.42-4.21 means Agree

The score from 4.22-5.00 means Strongly Agree

Thus, the interpretation of the mean score and the standard deviation was set by a value between 1.00 and 5.00 (between the lowest and the highest). Each level on the scale is assigned a numeric value, starting from 1 and incremented by one for each level.

5 = Strongly Agree

4 = Agree

3 = Neutral

2 = Disagree

1 = Strongly Disagree

3.6 Data Analysis

3.6.1 Quantitative Data Analysis

In the quantitative data analysis, primary data were accumulated through structured questionnaire surveys and then hypotheses were tested on the basis of the useful collected data. The data, obtained in the structured questionnaire survey, were initially fed into SPSS software and the transformation of variables was carried out to make them usable for SPSS. Multivariate linear regression (MLR) was used to determine the relationship among independent variables and the dependent variable to analyze the data and to test the hypotheses. MLR serves as an important tool for developing knowledge that involves recognition of variables and the progress of a theoretical model. Eventually, the hypotheses were then formulated based on the theoretical model. MLR is useful for finding relationships between two continuous variables. One is the predictor or independent variable, and the other is the response or dependent variable. It looks for statistical relationships but not deterministic

relationships. A relationship between two variables is said to be deterministic if one variable can be accurately expressed by the other.

3.6.2 Qualitative Data Analysis

Qualitative research operates on an assumption that the empirical evidence gathering is related to both theoretical ideas and structures that lie beneath the observable reality. But the data from the observable surface reality are only samples of what happens on the visible surface level. Such data only partially reflects what goes on unseen, beneath the surface where deeper social structures or relationships resides but the researcher uses these data to evaluate theories and make generalizations or conclusions.

3.7 Validity and Reliability

Reliability refers to the consistency and stability of the exact measuring instrument or method, such as a survey or observation, and is used to describe what it is intended to measure. The measurement is supposed to have a high reliability of test if it is produced twice with similar results or correlates across time under the consistency of a measure or test, or in other words, a reliability coefficient. Kidder and Judd (1986) confirmed that a reliable study could reoccur and provide the same results.

The structured questionnaire and semi-structured interviews of this study were designed in order to facilitate in developing a prospective policy framework from the present practices indicated. The questions were formally modified in agreement with the experts' fields of expertise. Testing the validity and reliability of the questionnaire and interviews, as the standard of a quality instrument, was then conducted for pre-testing from a sample of a few respondents (10 set) apart from the target group before the full-scale research. A pre-test measurement was evaluated by using Cronbach's alpha as a tool to compute and assess the validity and reliability of the questions. In a limited way, the use of additional methods to identify any problems was considered inappropriate, given the time constraints and budget available.

In order for assessments of effectiveness of budget policy to be sound, the study must be free of bias and distortion. Reliability and validity are two concepts that are important for defining and measuring bias and distortion. Reliability refers to the extent

to which assessments are consistent. In this study, the internal consistency of items in the questionnaire is used. In order to avoid bias, department goals are used to set the course of the questionnaire, which can be classified as follows:

1) Official goals: These goals are the formally stated goals of an organization described in its charter and annual reports and they are emphasized in public statements by key executives.

2) Operative goals: These are the outcomes that the organization actually seeks to attain through its operating policies and activities.

3) Operational goals: Defines the performance objectives and desired behavior within an organization.

Three experts on budget policy have reviewed the questionnaire and comment on many aspects during November 2016 - February 2017. The details follow:

Table 3.5 Reliability Test

Date	Position of Expert	Comments	Modification
Nov 2016	Budget Analyst Expert Level, Bureau of The Budget	Question number 3.2 has overlapping meaning with question 3.3.	Modified question 3.2 and 3.3
Jan 2017	Budget Analyst Senior Professional Level, Bureau of The Budget	Question 10 has ambiguous meaning.	Modified question 10
Feb 2017	Budget Analyst Expert Level, Bureau of The Budget	Question 8 needs more explanation.	Modified question 8

Validity refers to the accuracy of an assessment, whether or not it measures what it is supposed to measure. Even if a test is reliable, it may not provide a valid measure. Therefore, validity involves collecting and analyzing data in order to assess the validity of the quantitative instruments. For this multi-method approached study, the structured questionnaire and semi-structured interviews were examined. A pre-test measurement was evaluated from Jan 2017 to March 2017 using Cronbach's alpha as a tool to

compute and assess the validity and reliability of the questions. The pre-test questionnaires were sent to the target population in selected government agencies, primarily to ONCB, to see the consistency of the question as to whether it represents the results of this study. The details are described as follows:

Table 3.6 Validity Test

Date	Questionnaire	Details	Cranach's alpha	Remark
	Question 2.1 to 2.3	Detail of measurement part 1	0.62	Modified question 2.2 to be more clear.
Feb 2017 (5 Sets)	Question 3.1 to 3.8	Detail of measurement part 2	0.67	Provided definition for technical words.
	Question 4.1 to 4.5	Detail of measurement part 3	0.71	Modified question to elaborate more linkage to efficiency.
Apr 2017 (10 Sets)	Question 2.1 to 2.3	Detail of definition in budget policy that was modified in part 1	0.69	Provided definition for budget policy and indicators.
	Question 3.1 to 3.8	Detail of definition in budget policy that was modified in part 2	0.72	
	Question 4.1 to 4.5	Detail of definition in budget policy that was modified in part 3	0.77	
May 2017 (15 Sets)	Question 2.1 to 2.3	Passed the Cronbach Alpha Test	0.77	Pre-test by ONCB.
	Question 3.1 to 3.8		0.83	
	Question 4.1 to 4.5		0.78	

Cronbach's alpha is a measure used to assess the reliability, or internal consistency, of a set of scale or test items. In other words, the reliability of any given measurement refers to the extent to which it is a consistent measure of a concept, and Cronbach's alpha is one way of measuring the strength of that consistency.

In this research, Cronbach's alpha was computed by SPSS to test correlating scores for each scale item of budget policy with the total score for each observation (individual survey of respondents from target government agencies), and then compared that to the variance for all individual item scores. The resulting α coefficient of reliability ranges from 0 to 1 to provide an overall assessment of the measure's reliability. If all of the scale items are entirely independent from one another, then $\alpha = 0$; and if all of the items have high covariance, then α will approach 1 as the number of items in the scale approaches infinity. In other words, the higher the α coefficient, the more the items have shared covariance and probably measure the same underlying concept. Many methodologists recommend a minimum α coefficient between 0.7 and 0.9; α coefficients that are less than 0.5 are usually unacceptable. The results of the pre-test in Table 3.6 illustrates internal consistency between 0.62 and 0.71. However, after adjustment of the questionnaire structure, the Cronbach alpha value improved. Due to the complication of technical wording in budgets, many respondents did not clearly understand the question structure. By providing a technical definitions and indicators, the results were improved to 0.69–0.77. After reconsidering the questionnaire structure and consulting with some experts in the field, the conclusion was to revise some wording in Section 2 and Section 3 to be simpler and send out an additional 15 sets. The results of all questions was above 0.7, which allowed the researcher to progress to the next step of the statistical test.

3.8 Summary

This chapter began by describing the analysis paradigm and addressing the issues as logically as attainable from the literature stream. An analytical style was selected so as to administer the direction and integrate the various parts of the study in an exceedingly harmonious and logical manner. The proposed conceptual framework would guide this study to settle on a theory and apply a supported basic set of beliefs that establishes a collection of practices and a holistic view of the information. This

study has tried to settle on acceptable analytical tools in order to see the particular analysis queries and additionally to investigate the possessed causal relationships among most of the policy and inter-agency variables of the policy. The investigation was influenced by the literature review and also by the designed instruments to get information that was capable of objective examination and expression, so the collection and analysis of the information mirrored the tested hypotheses within both the quantitative and qualitative approaches. The key features of IBP include: a planning process linked to the organization's strategic objectives, a use of well-proven activity analysis techniques at the heart of all activity based systems, identification of cost improvement opportunities, analysis of discretionary spending options and priority ranking, establishment of performance targets for control, integration with activity planning and accounting to provide effective control, and a participative process to control and sustain continuous improvement. The benefits of IBP are that it: highlights the cost of activities, puts resource allocation in the context of rising or falling activity levels and encourages new thinking as to how the IBP activity can be carried out more effectively. However, this study aims to test only the part of budgeting planning and does not cover the expected outcome delivery due to the requirement of different angles and factors. The results of the study will be illustrated in the next chapter.

CHAPTER 4

QUANTITATIVE RESULTS

This chapter will interpret the results of the statistical analysis in order to organize this study, it also presents the findings from the methodical procedures relating to logical reasoning as discussed in Chapter three. The findings are not constructed only in the aspect of measuring the effectiveness of budgeting fields, but also corroborate the foundation of IBP theory, and are used as one of the frameworks in quantitative methods. The proponents of IBP theory have been trying fervently to show that a positive link exists between a more inclusive management level and increased agency performance, therefore, each agency could not maximize their long-term budget planning if they overlooked the importance of relevant stakeholders. The proponents have emphasized and supported the provision of the discretionary expectations of society, and promote environmental activism, economic development, and social justice as part of a national overall strategy. Hence, corporations should engage in the budgeting process because it is appropriate and wise to do so; otherwise, some agencies might be left at a financial disadvantage. Though the number of agencies that recognize the importance of their stakeholders is increasing, the opponents of IBP theory complain that budget activities happen to be varied to the budgeting policy in every way. Thus, the measurement of an agency's effectiveness in its interactions with stakeholders is sometimes ambiguous. It can be obviously seen that the integrated theory is very different in terms of beneficiaries, thus, agencies need to consider an appropriate and suitable theory for their objectives and goals. Ultimately, agencies should blend the IBP for the sake of long-term economic and social values, as stated in the 12th National Economy and Social Development Plan.

4.1 Descriptive Statistics

A descriptive statistic is a summary statistic that quantitatively describes or summarizes features of a collection of information, while descriptive statistics in the mass noun sense is the process of using and analyzing those statistics. (Mann, 1995). Descriptive statistics is distinguished from inferential statistics (or inductive statistics), in that descriptive statistics aims to summarize a sample, rather than use the data to learn about the population that the sample of data is thought to represent. Descriptive statistics provide simple summaries about the sample and about the observations that have been made. Such summaries may be either quantitative, i.e. summary statistics, or visual, i.e. simple-to-understand graphs. (Nick, 2007, pp. 33–52). These summaries may either form the basis of the initial description of the data as part of a more extensive statistical analysis, or they may be sufficient in and of themselves for a particular investigation.

Table 4.1 describes the descriptive statistics and shows the mean of the sample and Standard Deviation. The following findings are displayed in Table 4.1 as follows: Strategic Planning ($\bar{X} = 4.32$, S.D. = 0.72) Long-Term Planning ($\bar{X} = 4.32$, S.D. = 0.71) Medium-Term Planning ($\bar{X} = 4.2$, S.D. = 0.64) Leadership ($\bar{X} = 4.37$, S.D. = 0.62) Number of Agencies ($\bar{X} = 4.29$, S.D. = 0.63) Diversity of Agencies ($\bar{X} = 4.46$, S.D. = 0.63) IBP Resource ($\bar{X} = 4.25$, S.D. = 0.73) Flexibility and Openness to Changing Circumstance of Performance Indicator ($\bar{X} = 4.41$, S.D. = 0.63) Stability of Government Policy ($\bar{X} = 4.31$, S.D. = 0.66) Complexity of Policy ($\bar{X} = 4.35$, S.D. = 0.65) Collaboration ($\bar{X} = 4.43$, S.D. = 0.66) Effective Management for Integrated Budgeting Plan ($\bar{X} = 4.36$, S.D. = 0.62)

Table 4.1 Descriptive Statistics

Variable	Mean	Std. Deviation
Effective Management for Integrated Budgeting Plan	4.35	.617
Strategic Planning	4.31	.720
Long-Term Planning	4.32	.712
Medium-Term Planning	4.20	.644
Performance Indicator	4.41	.627
Stability of Government Policy	4.30	.655
Complexity of Policy	4.35	.651
Leadership	4.37	.621
Number of Agencies	4.28	.632
Diversity of Agencies	4.45	.626
IBP Resource	4.25	.727
Flexibility and Openness to Changing Circumstance of Collaboration	4.42	.657

4.1.1 Normality Testing

From Table 4.2, in terms of Skewness, the value is between -0.873 and -0.218. In terms of Kurtosis it is between -0.912 and 0.653, in which both of them have values between -1 to 1 that shows a sign of normality (Stigler, 1999).

Table 4.2 Normality Test

N = 279	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis
Strategic Planning	3.00	5.00	4.3154	.72032	-.555	-.912
Long-Term Planning	3.00	5.00	4.3226	.71209	-.560	-.875
Medium-Term Planning	3.00	5.00	4.2043	.64416	-.218	-.668
Performance Indicator	3.00	5.00	4.4122	.62788	-.586	-.590
Stability of Government Policy	3.00	5.00	4.3082	.65561	-.420	-.732
Complexity of Policy	3.00	5.00	4.3548	.65115	-.511	-.685
Leadership	3.00	5.00	4.3728	.62107	-.459	-.649
Number of Agencies	3.00	5.00	4.2867	.63206	-.317	-.668
Diversity of Agencies	3.00	5.00	4.4552	.62671	-.713	-.473
IBP Resource	2.00	5.00	4.2545	.72700	-.828	.653
Flexibility and Openness to Changing Circumstance of Collaboration	2.00	5.00	4.4265	.65767	-.873	.335
Effective Management for Integrated Budgeting Plan	3.00	5.00	4.3584	.61795	-.414	-.656

In statistics, normality tests are used to determine if a data set is well-modeled by a normal distribution and to compute how likely it is for a random variable underlying the data set to be normally distributed. Normal distributions are important in statistics and are often used in the natural and social sciences to represent real-valued random variables whose distributions are not known (Casella, George, Berger, & Roger, 2001).

From a visual inspection of the histogram of Skewness and Kurtosis, it shows that all of the data passed the normality test of the parametric statistic assumption. Statistical tests for normality are more precise since actual probabilities are calculated. Tests for normality calculate the probability that the sample was drawn from a normal population. For each mean and standard deviation combination a theoretical normal distribution can be determined. This distribution is based on the proportions shown below.

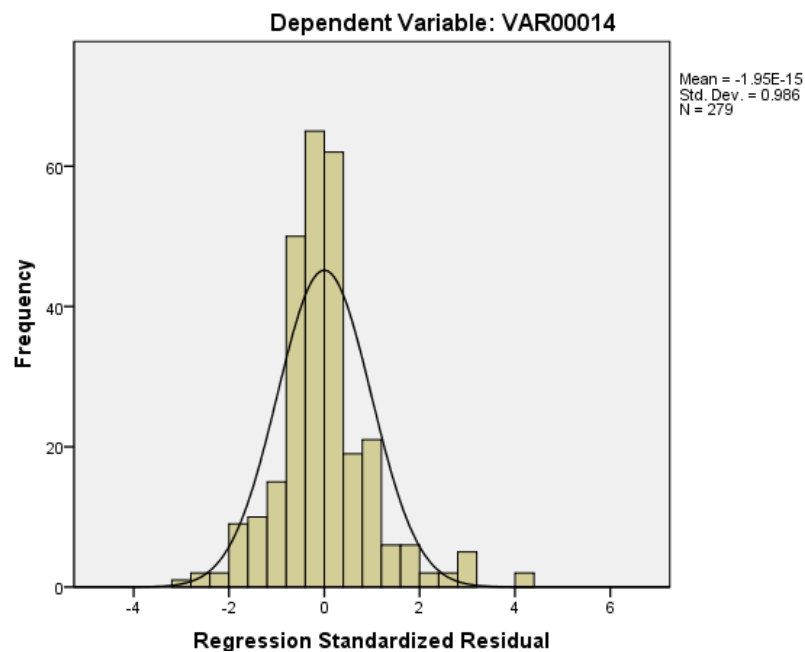


Figure 4.1 Histogram

The histogram shows a bell curve which displays that the data is spreading out, and shows normality which uses graphical methods as well as tests to check normality of the variable.

4.2 Cumulative Frequency (P-P) Plots

A graphical tool for assessing normality is the normal probability plot, a plot of the standardized data against the standard normal distribution. Here the correlation between the sample data and normal quintiles (a measure of the goodness of fit) measures how well the data are modeled by a normal distribution. For normal data the points plotted in the graphic plot should fall approximately on a straight line, indicating high positive correlation. These plots are easy to interpret and also have the benefit that outliers are easily identified.

Cumulative frequency is defined as a running total of frequencies. The frequency of an element in a set refers to how many of that element there are in the set. Cumulative frequency can also be defined as the sum of all previous frequencies up to the current point.

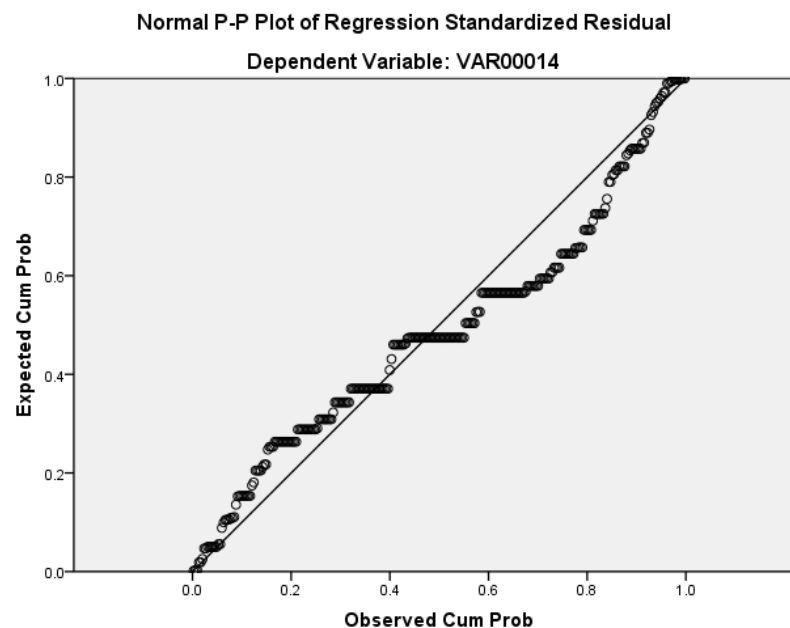


Figure 4.2 P-P Plots

4.3 Outliers

Scatter Plot distributed data is represented by the line and dots, which represents the group of data to be in line with each other and not appear to have an outlier. An outlier is an observation point that is distant from other observations. An outlier may be due to variability in the measurement or it may indicate experimental error, the latter are sometimes excluded from the data set. An outlier can cause serious problems in statistical analyses. According to Figures 4.3 and 4.4, the regression standardized predicted value and dependent variables both appear to have no outliers.

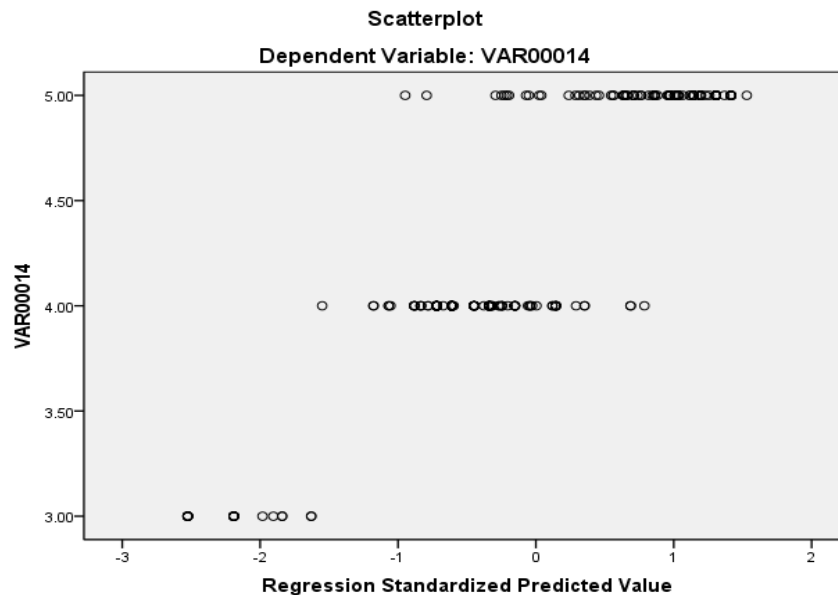


Figure 4.3 DV vs Standardized Predicted Value Figure

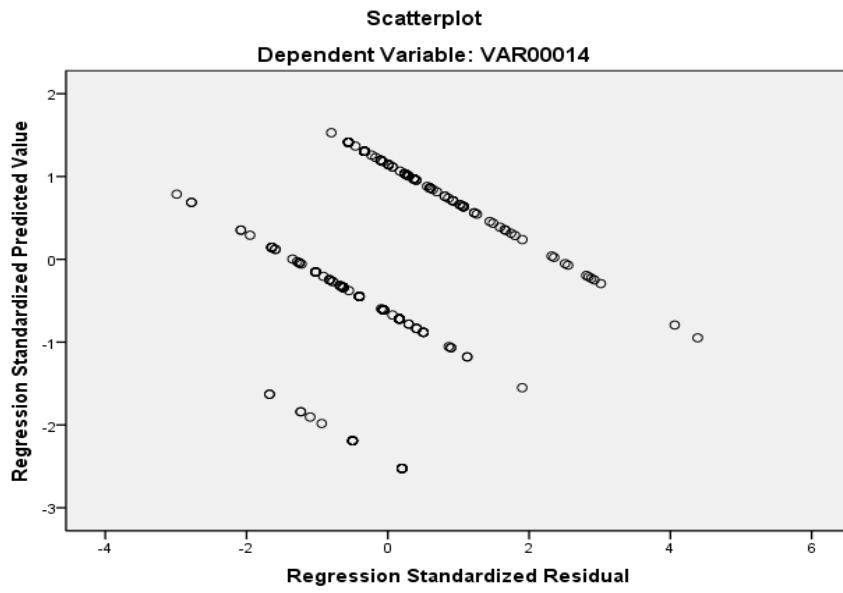


Figure 4.4 DV vs Regression Standardized Residual Figure

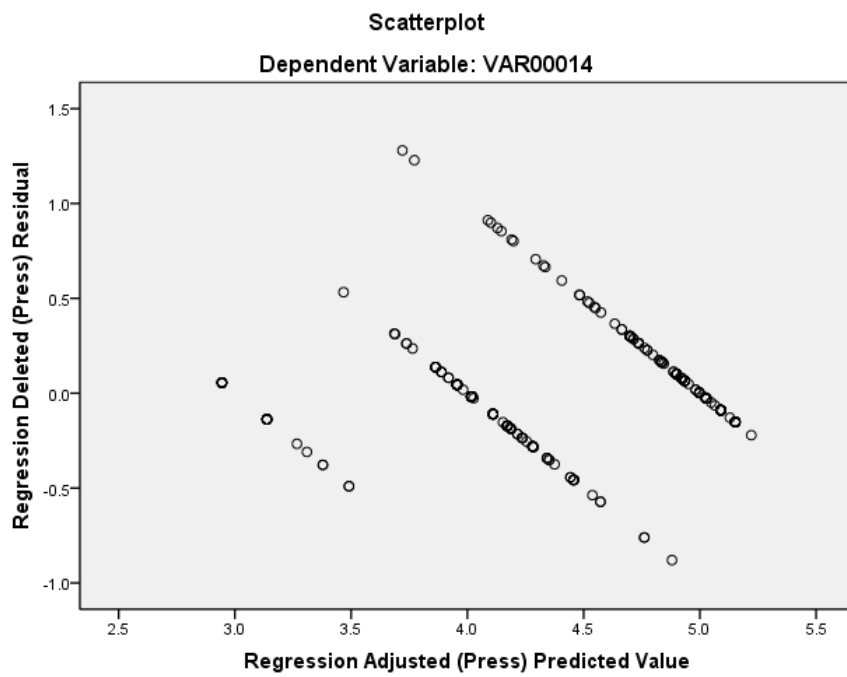


Figure 4.5 DV vs Regression Adjusted Predicted Value

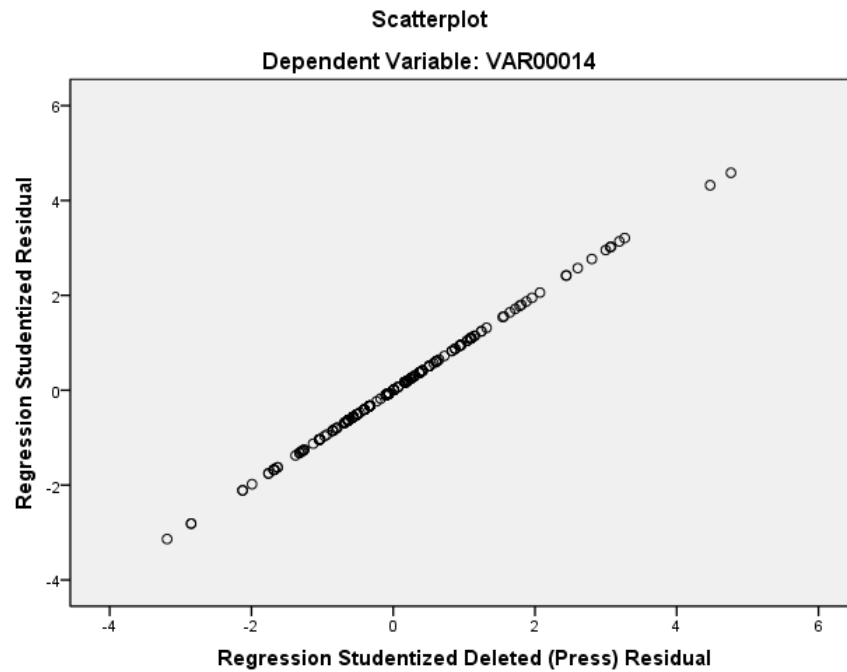


Figure 4.6 DV vs Regression Studentized Deleted Residual

According to Figure 4.5, the regression deleted residual value and dependent variables appear to have no outliers. The regression standardized residual value and dependent variables appear to have no outliers in Figure 4.6.

4.4 Multicollinearity Testing

Multicollinearity is a state of very high inter- correlations among the independent variables. It is therefore a type of disturbance in the data, and if present in the data the statistical inferences made about the data may not be reliable. Table 4.3 shows that the maximum value is 0.748, which is less than 0.75, so the data did not show any sign of multicollinearity issues.

Table 4.3 Correlations Matrix

	Strategic Planning (SP)	Long-Term Planning (LP)	Medium-Term Planning (MP)	Performance Indicator (PI)	Stability Of Government Policy (SGP)	Complexity Of Policy (CP)	Leadership (LD)	Number of Agencies (NA)	Diversity of Agencies (DA)	IBP Resource (CR)	Flexibility and Openness to Changing Circumstance of Collaboration (FOC)
EIB	.416	.586	.710	.267	.747	.748	.635	.537	.732	.725	.720
SP		.446	.334	.133	.388	.420	.307	.125	.398	.272	.338
LP			.491	.152	.480	.513	.394	.177	.403	.501	.373
MP				.111	.702	.667	.519	.289	.562	.626	.532
PI					.293	.336	.278	.453	.289	.195	.261
SGP						.720	.706	.463	.690	.642	.687
CP							.748	.434	.713	.614	.662
LD								.478	.718	.538	.666
NA									.414	.326	.388
DA										.590	.836
CR											.667

Note: EIB = Effective Management for Integrated Budgeting Plan

4.5 Prediction Power

The concept of predictive power differs from explanatory and descriptive power (where phenomena that are already known are retrospectively explained or described by a given theory) in that it allows a prospective test of theoretical understanding. In terms of prediction power the R-square of 0.819 shows that the prediction power of the model is around 82%.

Table 4.4 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.764 ^a	.584	.583	.39907
2	.830 ^b	.689	.687	.34568
3	.859 ^c	.738	.736	.31780
4	.876 ^d	.768	.764	.30013
5	.891 ^e	.793	.790	.28341
6	.900 ^f	.811	.806	.27186
7	.903 ^g	.816	.811	.26870
8	.905 ^h	.819	.813	.26710

4.6 Inferential Statistics

Inferential statistics tries to infer from the sample data what the population might think. Or, inferential statistics makes judgments of the probability that an observed difference between groups is a dependable one and one that might have happened by chance in this study. Inferential statistics is one of the two main branches of statistics. Inferential statistics uses a random sample of data taken from a population to describe and make inferences about the population. From Table 4.4 it shows that out of 11 variables, there are 8 variables, namely Complexity of Policy, IBP Resource, Diversity of Agencies, Number of Agencies, Long-Term Planning, Medium-Term Planning, Leadership and Performance Indicator, that shows a P Value of -2.06 to 7.88, which is significant at 95% (sig less than 0.05). In terms of the Model equation, the standardized Coefficients are used to sum up the model as follows:

Table 4.5 Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.199	.162		7.408	.000
Complexity of Policy	.726	.037	.764	19.737	.000
2 (Constant)	.756	.147		5.128	.000
Complexity of Policy	.486	.040	.513	12.058	.000
IBP Resource	.349	.036	.410	9.654	.000
3 (Constant)	.368	.146		2.520	.012
Complexity of Policy	.311	.044	.327	6.986	.000
IBP Resource	.281	.035	.330	8.131	.000
Diversity of Agencies	.324	.045	.329	7.179	.000
4 (Constant)	-.028	.154		-.184	.854
Complexity of Policy	.263	.043	.277	6.139	.000
IBP Resource	.273	.033	.321	8.365	.000
Diversity of Agencies	.286	.043	.290	6.645	.000
Number of Agencies	.188	.032	.192	5.860	.000

Table 4.5 (Continued)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
5 (Constant)	-.320	.153		-2.088	.038
Complexity of Policy	.196	.042	.206	4.668	.000
IBP Resource	.222	.032	.261	6.930	.000
Diversity of Agencies	.287	.041	.291	7.044	.000
Number of Agencies	.203	.030	.207	6.673	.000
Long-Term Planning	.170	.029	.196	5.856	.000
6 (Constant)	-.456	.150		-3.046	.003
Complexity of Policy	.127	.043	.134	2.985	.003
IBP Resource	.174	.032	.205	5.405	.000
Diversity of Agencies	.271	.039	.275	6.931	.000
Number of Agencies	.208	.029	.212	7.120	.000
Long-Term Planning	.150	.028	.172	5.314	.000
Medium-Term Planning	.184	.037	.192	4.968	.000

Table 4.5 (Continued)

Model	Unstandardized		Standardized	T	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
7 (Constant)	-.405	.149		-2.719	.007
Complexity of Policy	.177	.046	.187	3.858	.000
IBP Resource	.178	.032	.210	5.593	.000
Diversity of Agencies	.311	.041	.316	7.523	.000
Number of Agencies	.224	.029	.230	7.614	.000
Long-Term Planning	.150	.028	.173	5.385	.000
Medium-Term Planning	.180	.037	.188	4.923	.000
Leadership	-.119	.044	-.120	-2.727	.007
8 (Constant)	-.266	.163		-1.633	.104
ComplexityoOf Policy	.195	.046	.206	4.203	.000
IBP Resource	.178	.032	.210	5.629	.000
Diversity of Agencies	.317	.041	.321	7.690	.000
Number of Agencies	.248	.031	.254	7.886	.000
Long-Term Planning	.152	.028	.175	5.488	.000

Table 4.5 (Continued)

Model	Unstandardized		Standardized	T	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
Medium-Term Planning	.167	.037	.174	4.515	.000
Leadership	-.125	.043	-.126	-2.886	.004
Performance Indicator	-.061	.030	-.062	-2.064	.040

Multiple linear regression (MLR) attempts to model the relationship between two or more explanatory variables and a response variable by fitting a linear equation to observed data. Every value of the independent variable x is associated with a value of the dependent variable y . The population regression lines for p explanatory variables from the hypothesis in Chapter two regarding the standardized coefficients (β) are displayed in Figure 4.7.

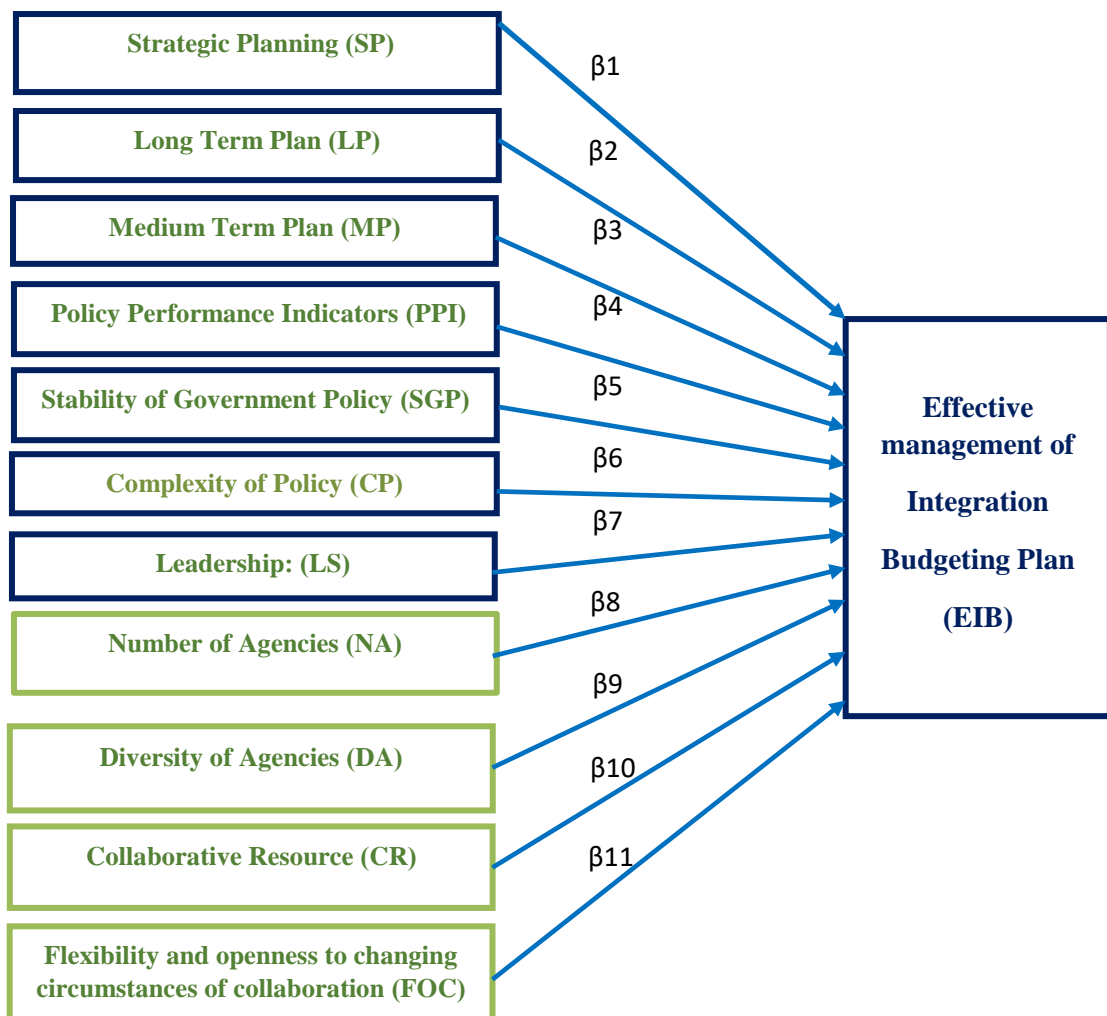


Figure 4.7 Standardized Coefficients

MLR Equation

$$\text{EIB} = -\beta_0 + \beta_1 \text{ SP} + \beta_2 \text{ LP} + \beta_3 \text{ MP} + \beta_4 \text{ PI} + \beta_5 \text{ SGP} + \beta_6 \text{ CP} + \beta_7 \text{ LS} + \beta_8 \text{ NA} + \beta_9 \text{ DA} + \beta_{10} \text{ CR} + \beta_{11} \text{ FOC}$$

4.7 Findings

Methodically, in quantitative data analysis MLR enables the investigation and the estimation of causal relationships. According to Hair et al. (2006), MLR is recognizable into a measurement model that analyzes the quality of how the constructs relate to each other, and a model conceptualizes the relationships between the constructs. Figure 4.1 portrays a path diagram of the model structure along with the output for hypothesized relationships in the proposed model.

As a matter of fact, there are many measures for model of fit in MLR analysis to assess how well the proposed measurement model captures the standardized coefficients and significance value of $P < 0.05$. From Figure 4.1 the significant parameter estimates were examined on the impact of budgeting parameters on agencies' performance via intermediary routes of the budgeting plan in order to determine the significance of each relationship and the estimation of regression weight. Table 4.4 then presents each parameter's figure, including unstandardized, standardized, and significance levels of the model that will eventually give the results for all variables and control variables.

The results from the analysis of the MLR model in this research show the factors that had an influence on agency performance, and the hypotheses of this study have been set as follows in Table 4.6.

Table 4.6 Hypothesis Findings

Hypothesis	Result
H ₁ : Strategic planning impacts effective management of the Integration Budgeting Plan	Rejected
H ₂ : Long term plan impacts effective management of the Integration Budgeting Plan	Accepted

Table 4.6 (Continued)

Hypothesis	Result
H ₃ : Medium term plan impacts effective management of the Integration Budgeting Plan	Accepted
H ₄ : Policy Performance Indicators impacts effective management of the Integration Budgeting Plan	Accepted
H ₅ : Stability of Government policy impacts effective management of the Integration Budgeting Plan	Rejected
H ₆ : Complexity of Policy impacts effective management of the Integration Budgeting Plan	Accepted
H ₇ : Leadership impacts effective management of the Integration Budgeting Plan	Accepted
H ₈ : Number of agencies impacts effective management of the Integration Budgeting Plan	Accepted
H ₉ : Diversity of agencies impacts effective management of the Integration Budgeting Plan	Accepted
H ₁₀ : IBP Resource impacts effective management of the Integration Budgeting Plan	Accepted
H ₁₁ : Flexibility and openness to changing circumstances of collaboration impacts effective management of the Integration Budgeting Plan	Rejected

4.8 Proposed Model

According to the findings, out of 11 independent variables, there are 8 variables that are statistically significant with a P value less than 0.05. Figure 4.2 portrays the path diagram of the model structure along with the output for hypothesized relationships in the new proposed model of effective management for the Integration Budgeting Plan.

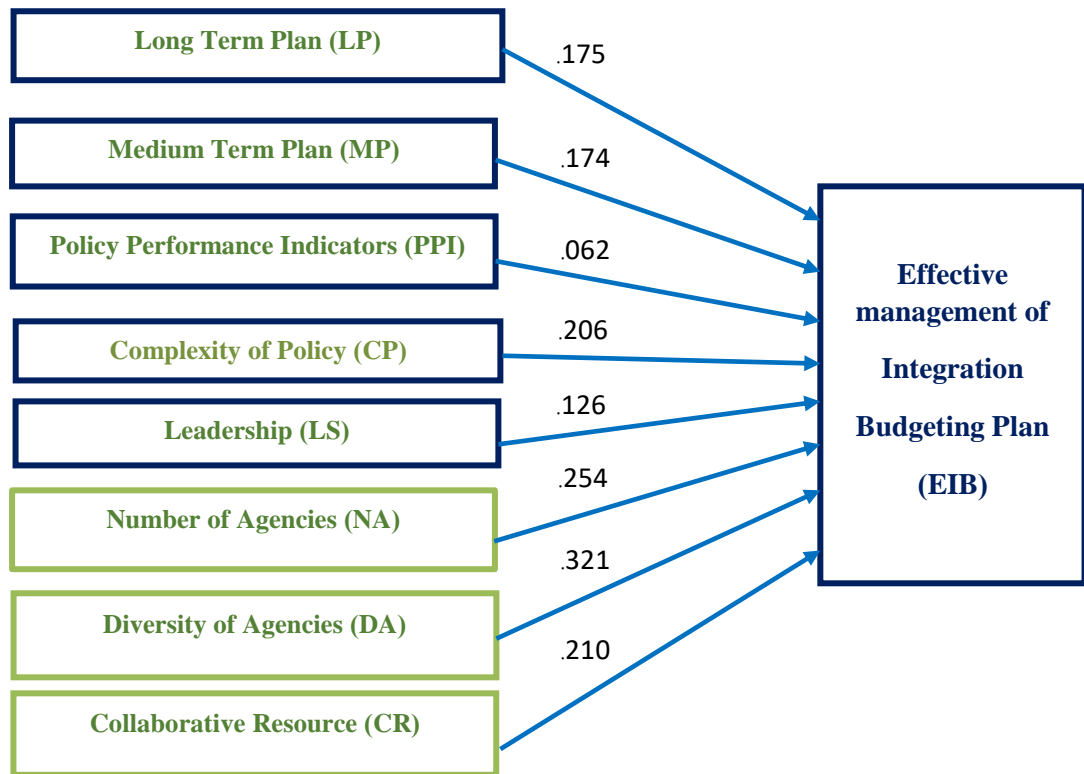


Figure 4.8 Proposed Model (IBPI)

According to Figure 4.8, there are 8 significant factors extracted from the original budgeting ground theories. Nonetheless, the proposed model can be classified into 2 groups of variables, which are the policy and performance budgeting factor and the inter-organizational factor. As a result of multiple regression analysis, the result of variables which are statistically significant appears to explain up to 82 percent ($R^2 = 0.819$). From the findings, EIB in Thailand relies on long term and medium term plans, which influences budgeting implementation. It refers to the idea that budgeting planning will have an effect on how the policy is designed, in this case narcotic problems. Second, the policy performance indicators refers to its goals, an implicit causal theory about how to impact the problem situation. Third, complexity of policy refers to major elements of government policy formulation. Leadership can inspire the teams to accomplish effectiveness of budgeting policy. All variables of policy implementation by IBP are examined and statistically significant at $P < 0.05$, as shown in Table 4.4.

Lastly, the policy performance indicators is the idea that the problem situation and the severity of the problem will have an effect on how the budgeting policy is designed, for instance, the number of agencies for the budgeting of each unit, diversity of agencies and diversity of resources which are available for budget effectiveness. These are the factors that play important roles of EIB. The following new equation was created as the integrated model to explain EIB in Thailand.

New Equation of EIB

$$\begin{aligned} \text{EIB} = & - 266 + .206 \text{ CP} + .210 \text{ CR} + .321 \text{ DA} + .254 \text{ NA} + .175 \text{ LP} + .174 \text{ MP} \\ & + .126 \text{ LS} + .062 \text{ PPI} \\ \text{F} = & .589 \quad \text{P} = 0.00 \quad \text{R}^2 = .819 \quad \text{Adjusted R}^2 = .813 \end{aligned}$$

This new finding is a new model which can explain the effectiveness of integrated budget management in Thailand (EIBT). It has potential as an alternative solution for the Budget Bureau and other government agencies. The MLR, as a predictive analysis, uses Multiple Linear Regression to explain the relationship between one continuous dependent variable, which is the effect of IBP, and 8 independent variables. EIBT can be used to forecast effects or impacts of changes. That analysis helps the government to understand how much the effects of IBP will change when the new budget policy changes over each fiscal year.

4.9 Summary

This chapter presents the findings for all of the questions, which are discussed and compared with the literature before the final conclusion on the research problem is drawn. The ground theory used in this study is based on budgeting and organizational theory. The literature stream confirmed 12 independent variables to endorse a conceptual framework on the effectiveness of budgeting policy in Thailand. Interestingly, the findings of 8 hypotheses indicated that policy and performance budgeting factors and inter-organizational factors have positive impacts on budgeting performance. The factors are long term plans, medium term plans, policy performance indicators, the complexity of policy, leadership, the number and diversity of agencies, and collaborative resources,

which are compiled into a new model of IBPI. These factors are statistically significant and appear to have a production power of 82 percent for effectiveness of budget management in Thailand. However, this result can be regarded as a preliminary examination of the impact of EIB on agency performance, in particular regarding the narcotics policy aspect. In order to substantiate and enhance the quality of these findings, a qualitative approach will be conducted in further steps in order to provide a more promising research study, since there were some differences and similarities among the budgeting's perception of reality.

CHAPTER 5

QUALITATIVE RESULTS

In deliberation of intensifying the standard of this study, it was considered to be advantageous to use a mixed-method approach with reference to the drawbacks of using only a quantitative or qualitative analysis. In addition, a mixed method grasps the complete extent of plausible results and increases the strength of this study concerning the validity of information. As Creswell (2009, p. 4) explains, the qualitative analysis technique usually gets to an in-depth comprehension of attitudes, opinions, and concepts from the target participants, which creates folks' perceptions and actions (Creswell, 2009). A qualitative analysis technique claims to get nearer to the subjects' perspective, especially in rising analysis areas. Thus, semi-structured interviews triangulated with agencies' documentation concerning budgeting activities were conducted and analyzed by means of content analysis during this study. What is more, observation was conjointly an important part of the information triangulation during this study, if accessible. As a consequence of the time and restricted resources of this study, a data-based study of the people and every unit of research within the circumstances was not possible, even if the benefits of all observations were obvious. However, the investigator makes an attempt to remain free from any prejudice by serving as a limit to the sampling or determined management, even if this could clearly have an effect on the method's consistency. Moreover, the investigator was focused on contextually perceptive participants, since the preliminary technique of information gathering was interviewing.

5.1 Qualitative Questions

In order to discover the participants' perceptions concerning how budgeting activities towards stakeholders affected their performance, the following issues and questions were examined:

- 1) IBP Implementation
 - (1) What is the area of budgeting responsibility for your unit?
 - (2) What are the main driving forces behind your unit's IBP efforts?
- 2) IBP and Stakeholders
 - (1) Who are your important stakeholders?
 - (2) How does your agency engage stakeholders?
- 3) IBP Benefit
 - (1) Why has your agency decided to get involved in IBP budgeting?
 - (2) What benefits have you realized from the budgeting activities in your unit?
- 4) Budgeting and Firm Performance in Narcotics
 - (1) How has IBP impacted your unit and financial performance?
 - (2) Has IBP enhanced or burdened your unit and its financial performance?

5.2 Research Methodology and Sample Selection

The units of analysis are high-level department managers from selected government agencies in budget planning that are directly and indirectly associated with narcotics budget planning activities. In accordance with the visibility of their objectives and their responsible activities, the selected departments included director and deputy director levels. Agency structures were varied: some units had limitations on management and the number of employees, while others had various subdivisions within different departments. With a variety of agency sizes, employees and responsibilities, these approaches were studied through the focal point of this study and their involvement in the firms' budgeting activities. This may clarify whether there is homogeneity or heterogeneity in budgeting-related outcomes in the agencies within Thai government. However, in order to stay away from prejudice by only determining recognized policy contributors, the decision was made to involve firms that have been recognized as having strong IBP implementation.

Through personal connections, the researcher was able to locate three high-level executives from different selected departments and different units of budget planning

departments. These high-level executives included Director Level 8, Senior Advisor Level 10, and Deputy Director of Budget Bureau Level 10. Due to the research's scope and constraints, this sampling did not entirely appear for budget involvement in the government, although an effort was made to sample the broadest variety of objectives and their feasible responsibilities within the scope of this research. As Glaser and Strauss (1967) explained, "the purposive method of sampling is complemented by the comparative method of sampling, which allows choosing instances representative of different aspects of reality." Therefore, choosing a variety of different managers from mixed industries and different hierarchical levels of agencies defined the persons behind the process of choosing and implementing socially-responsibility action who would be able to help understand the firms and their activities as a whole (Glaser & Strauss, 1967). As Hales (1987) summarized, it was needed to be made clear that the role of managers is usually supposed to be more of finance-oriented and operation-oriented management. Thus, shareholders or owners demand an effective management that differs in degree of uniformity and complementarity (Hales, 1987, pp. 26-34).

With reference to confidentiality, useful information obtained from the interviews and the following discussion was included in this study without any reference to the participants' names, participants' firms, or job positions. Reference to the participants and participants' positions was coded and is presented in Table 5.1.

5.2.1 In-depth Interview

In-depth interviews are normally carried out face to face so that an affiliation can be created with the respondents. Body language is also used to add a high level of understanding to the answers. Telephone interviews were also used by the researcher with little loss of data and at a tenth of the cost. The style of an interview depends on the interviewer. Successful in-depth interviewers listen rather than talk. They have a clear line of questioning and use body language to build rapport. The interview is more of a guided conversation than a structured question and answer session.

The effective budget of any organization leads to the goals' realization. The realization of goals in an organization is used to describe how successful the organization is or is becoming. The failure of the same describes the opposite. Therefore, goal realization in an organization is supposed to be reflected by its growth

through attaining its goal, for example increasing its market share. One way of having an effective budget is through the proper use of an appropriate computer system. Most budgets prepared in organizations are aimed at achieving organizational goals. One of the approaches is involving staff from a development department in the budgeting process. However the organization may decide to adopt or not to adopt such approaches. As such, adoption of the involvement of all staff in budgeting influences transparency in the organization. In situations where staff are involved there will be transparency, hence this reduces mismanagement of organization funds. A deeper understanding of the state of the organization is the ultimate goal of all representations in budgeting and budgetary control. Management's task is to find the reasons for the variances and to take proper action to bring operations in line with the budget. In some cases the variances and trends might indicate that the standards need amendment.

The interviews were conducted using a discussion guide with semi-structured questions which facilitated the flushing out of the respondent's views through open ended questioning. Nonetheless, projective techniques could be incorporated into the interview, as illustrated in Table 5.1 for the participants list.

Table 5.1 Coding of the Participants' Position in Agencies

No.	Position in Agencies	Date	Code
1	Director Level 8	Aug 17, 2016	Exec 1
2	Senior Advisor Level 10	March 09, 2017	Exec 2
3	Deputy Director of Budget Bureau Level 10	June 14, 2017	Exec 3

As can be seen from this table, the participants' positions in the agency hierarchy formed a heterogeneous sample, which allowed the researcher to explore the perceptions toward IBP exhibited by them at different managerial levels. The analysis of executives' attitudes and perceptions with regard to budgeting activities is presented further in this study with appropriate characterizations and classifications.

5.2.2 Observations

Observation is the active acquisition of information from a primary source. In this study, observation employed the senses of the participants involved in budgeting and policy processes for budget planning. In science, observation can also involve the recording of data via the use of scientific instruments. The term may also refer to any data collected during a scientific activity (Creswell, 2009). Observations can be qualitative, that is, only the absence or presence of a property is noted, or quantitative if a numerical value is attached to the observed phenomenon by counting or measuring.

The researcher attempted to produce the most inclusive and attentive discussion on events related to the influence on agencies' and inter-agencies' values for seminars and training event announcements, such as with annual budget planning seminars arranged by the budget bureau for budget personnel training. Empirical evidence from various studies at different levels shows that for an organization to achieve its goals it has to point out its goals, then budget for them with adequate and sufficient funds. However, for the budgeting process to be fruitful many prerequisites are needed, such as creation of budget centers, the usage of adequate accounting records, establishment of a budget committee, preparation of a budget manual, a budget period and determination of the key factors that are to be given priority. In consequence, this study discovered that, among ten factors, there was a significant relationship between budget performance factors and inter-organizational factors toward EIB. This result was confirmed by IBP, which claimed that by performing these new practices, a department could instantly become more robust in their financial position. These observation events are illustrated in Table 5.2.

Table 5.2 Coding of the Observations

No.	Position in Agencies	Date	Code
1	Annual budget planning seminar	Oct. 2016	Obs 1
2	Annual budget planning seminar	Aug. 2017	Obs 2
3	Non participated observation	May 01-03, 2017	Obs 3
4	Training	Sep 28 – Nov 07, 2018	Obs4

5.3 Method of Data Collection

The methods of collecting primary data in this study included semi-structured interviews and contextual observation, where applicable. In fact, there is growing evidence that academic and business researchers are convinced by the interviewing method to collect data and employ observation as supplementary for obtaining additional data. Purposive sampling is used to select those who can be regarded as key informants to provide relevant data. This sampling technique relies on its own judgment when choosing members of a population to participate in the study. The sample selection is based on characteristics of a population and the objective of the study.

According to Miles and Huberman (1994), the semi-structured interview method seems to provide a less prejudiced approach for the researcher and enables him/her to expand the complete conclusions. Thus, the researcher is capable of capturing new visions and ideas from the participants by giving the participants an opportunity to diverge from a set of particular research questions within the area of the interview pattern (Miles & Huberman, 1994). Furthermore, Easterby-Smith et al. (1991, p. 78) suggested that researchers should avoid disconcerting participants with the particular concept of research interviews that makes some of the participants feel like they're being investigated. Therefore, the interview approach was devised as a conversational type that allowed the participants the probability of being less tense and expressing their opinions in a more personal way. In addition, some participants eventually felt more satisfied discussing particular topics with the possibility of a

straightforward exchange. This was relevant to Patton (1980, p. 197), who suggested that open-ended question interviews could be classified into three different types, these are: the general or semi-restrictive interview guide approach, the informational conversational interview, and the structured open-ended interview. Thus, this study employed the semi-restrictive interview guide approach, as it could initiate particular inquiries in order to achieve the primary interview objective yet allow the participants to be at ease to ask questions and talk about what they desired to know within the subjects (Easterby-Smith, Thorpe, & Lowe, 1991).

Based on Miles and Huberman (1994), a variety of interview styles were employed in this study, as follows:

- 1) Face-to-face interviews employing a semi-structured format. This method of interview is given the participants' approval, it designates setting the agenda of the interview by asking supplementary questions in order to elaborate on the discussion. This way, the researcher can examine more profoundly into the issues resulting from the answers.

- 2) Telephone interviews employed a semi-structured format and were conducted over the phone. Unlike a face-to-face interview, there were some limitations to this method, such as missing body language or key communications between the researcher and the participant, which can lead to misunderstanding, and a lack of access to the participant's environment could result in a loss of non-verbal clues and interactions between the interviewer and interviewee. Thus, telephone interviews were to be treated as an option if face-to-face interviews could not be engaged.

Last, Lamnek (1989) explained how the preliminary stage of analyzing qualitative interview data can be organized around two key activities: analysis of the transcript or "indexical" for examining and integrating the outcomes, and "generalized" with recognition of dissimilarity and conformities for the evolution of classifications (Lamnek, 1989, pp. 70-74). More specifically, Blaikie (2009, p. 24) stated that the core activity of any research project is to collect useful and important data by any method; this study, in particular, concentrated on transcribing the interviews. That means the researcher should transcribe all of the detailed data from the participants' interviews when the researcher asked specific questions and carefully listened during the interview (Blaikie, 2009.). The management of data transcription is an integral process of

capturing the participant's interview into text or wording, as suggested by Saunders, Lewis, & Thornhill (2007, p. 550). The transcriptions are the written words from the interviews that one has written down, memorized or captured with a recording device, if permitted (Saunders et al., 2007). This aligns with Bryman and Bell (2011, p. 482), who proclaimed that immediately transcribing after the interview could make it easier for the researcher to memorize and succeed in recollecting the overall interview (Bryman & Bell, 2011). Although transcribing takes a lot of time, it is distinctly helpful in giving researchers a wealth of information, and ultimately helps to easily perform the useful data analysis.

Due to the sensitive nature of this study (monetary matters), considerable observation was paid to the moral use of all of the useful data, reverence for the participants' confidentiality and privacy, and informed consent prior to publishing. Informed consent aimed to provide formal permission from participants before conducting the interviews, and was based on clear acknowledgement, appreciation and confidentiality. Thus, the statement of informed consent, as attached in Appendix F, was developed by the researcher and handed out to each participant prior to the discussions/interviews.

5.4 Negotiation of Access to Participants

Negotiations aimed at the analysis of participants happened over the course of many months and therefore the research workers faced varied difficulties getting access to them. Difficulties in gaining access to the participants included: participants' busy schedules, which affected the pliability of time-lining these interviews, participants' convenience and temperament within the study, their preconceptions regarding the topic of the study, and time consumption. Bryman and Bell (2011, p. 7) declared that a research worker needs an acceptable action arranged along with the chance to realize access so as to gather the knowledge and data required. Therefore, the research worker was able to gain access to the participants through many business connections who were acquainted with the agencies and managers. However, it took a quantity of time to form contact with the chosen participants.

By approaching potential participants through various connections, composing interviews and making rapport with the participants was accomplished by methods of both formal and informal arrangements through those connections, together with telephone conversations. After that, a letter with an overall description of the analysis assignment, and therefore the topics for the interviews as conferred in Appendix A, was sent to any or all of the participants. There were incidents to be found, some participants felt uncomfortable attending a face-to-face interview, however valued more highly to answer in written queries. However, the analysis couldn't be ready to gain complete quality and purity of the solution and watch the participants, therefore the investigator politely declined such action.

Regarding the tactics of collecting data in the interviewing method, there was the possibility that participants could respond with their judgment of what benefit he/she would receive for answering. There's conjointly the danger that a participant either might not wish to point to contrary answers or purposely provide qualitative inadequate answers, each of which would misrepresent the reality. Moreover, participants might seriously feel nervous or unpleasant and under tension over the type of sensitive queries they're being asked to respond to, particularly those regarding cash matters. As a matter of reality, the participants were primarily notified that the implications were managed for instructional contribution, even though the probability of affecting the firm's financial health or leading to competitor contact was rather small, thus the risk of prejudiced answers could be considered insufficient.

5.5 Qualitative Data Analysis

In consideration of obtaining the empirical findings from the qualitative approach and getting deeper understanding of the awareness of government executives regarding the impact of actions on budgeting and financial performance, the researcher chose to employ certain questions for everyone. Furthermore, in order to get further in-depth information, the researcher asked followed-up questions, if relevant. At the beginning of the interview process, the researcher gave participants a broad overview of the main focus and subject of the study and let them know that the researcher would

not search for any sensitive or personal information, and that their names and agencies would remain unidentified.

The researcher used a triangulation technique involving several different investigators in the analysis process. Typically, this manifested as an evaluation consisting of experts within the field of study wherein the researcher examines the budgeting program with the same qualitative method (in-depth interview, observation, and case study). The findings from each evaluator would then be compared to develop a broader and deeper understanding of the different views the budgeting issue. If the findings from both the qualitative and quantitative studies arrived at the same conclusion, then the study's confidence in the findings would be heightened. The collected data then revealed how the different participants responded within the same subjects, and then the data were analyzed relating to the level of authority and involvement of budgeting policy, which was preliminarily illustrated in the theoretical framework chapter.

5.6 Qualitative Findings

After the complete collection of empirical data and evidence was acquired by interviewing the participants, the central process was to interpret and analyze it by integrating it with the prior theoretical framework. Consequently, an overall understanding of budgeting with IBP transpired as a dynamic interconnection of the areas that were analyzed. This study aims to contribute to the knowledge and interconnection of theories and concepts based on empirical findings previously published. Therefore, qualitative findings can possibly be produced from a more complex examination of budgeting through academic and business scholars' theoretical assumptions. Additionally, business managers' empirical consciousness can be examined together with explanations and the significance in order to investigate the impact of policy formulation activities on their firms' value systems and ethics of belief.

Considering the main research inquiry, the analyses of the participants' interviews and their respective firms' documentations with regard to their consciousness of how budgeting activities concerning the firm's stakeholders had an impact on their department and financial performance, yielded mixed results. There was

a growing paradox between the high-level executives' perceptions, guidelines and norms, and the absence of absolute standards for central budgeting. This is relevant to scholars who believe that these qualities are probably different in reaction to different ethical behaviors, cross cultures, generational groups, and institutional and individual value systems. Overall the study found a positive but weak correlation. It's generally held that budgeting can generate department performance, and thus most sizable units were energetically involved in it, yet some high-level executives were aware of its involvement in this important subject. As can be seen from the analysis section, the challenge of budgeting involvement ranges from not having enough finances, resources, performers, and time, to agencies' capabilities to participate in a narcotics aspect. Above all, whether they are sincerely attempting to be generous to society or they just want to broadcast their performance in order to strengthen department impressions and eventually publicize their positive reputation in the financial performance, it eventually should bring mutual benefit in the end. However, IBP practice probably should be unique for different departments and could be strategic in nature when it leads to increased gains. As a matter of fact, IBP might not be required in some departments, whereas IBP can be used as alternative budget planning. This inequality existed as a result of some departments needing to socialize with morally sensitive subjects, social needs coercion, and to suit governmental legal and restrictive frameworks regarding narcotics. As a consequence, before the effort to participate in any IBP activities, departments need to fastidiously ponder the strengths and weaknesses of such actions.

Considering that these semi-structured interviews and observations were conducted with numerous high-level executives' inputs and perspectives, the findings are absolutely crucial for analyzing any supplementary factors, like department KPI or department budgeting sentiment. Moreover, the results were completely essential to explore the importance of their driving forces and their current allocation, particularly by knowledgeable qualitative researchers. Last, IBP has to be a completely premeditated activity that's not its own application as a self-publicizing or self-proclamation tool, however ideally, to deliberately make a contribution to citizens at large. During this activity, departments ought to be ready to develop IBP perceptions and be dedicated to its implementation at each level of connected stakeholders.

The study found that the traditional approach to budgeting is an approach that is forced down from the top. The overall reason for an authoritative approach to budgeting is that of control. Control is often defined as how many subordinates a manager can effectively and efficiently impact at the executive level. Dixon (2001) stated that “the upper levels of the agencies needed to control both the work practices of employees and their access to and use of organizational resources”. The findings did not determine if this was a superior budgeting method or not. However, it is concluded that the traditional approach to budgeting could lead to game playing. Huxham (1996) described how game playing is simply agreeing with anything that was presented to operational managers, rather than taking initiative towards improvement. Ultimately, as Huxham (1996) noted, game playing begins “in the way they (policy formulators) participate in the budget process”.

Within the IBP approach to budgeting, as the researcher further discovered in observations, participation is not always evident. The behavior of those involved, directly or not, is predictable and a natural result of a centralized, top-down budget system. Participants did not delve into the merits, or lack thereof, with traditional budgeting. The belief was that this process could work for some agencies depending on the leadership of the agencies. However, the findings concluded that although executives are not necessarily included in the up-front preparation of the budget document, with a traditional approach the executives become very astute at playing a budget game in order to achieve their own agenda.

Even though some data has pointed out that IBP did not appear to significantly have an impact on the large extent of agencies’ financial performance, eventually IBP activities could have an effect on the policy formulation powers of executives who have a perception, or take an interest in, the budget commitment of their agencies’ operations and objectives. In comparison to a traditional approach, the IBP model offers an alternative to the budget process which is referred to as the IBP Integration Model (IBPI). In contrast to the traditional budgeting approach, IBPI considers a bottom-up approach to the budgeting process. This approach is more inclusive, as executives embrace an empowering and encouraging attitude in personal interactions with their subordinates and budget bureau personnel. This delegates meaningful work to their operation and tries to avoid micro-managing along the budget planning process. The

reasoning behind this IBPI model is to allow the mid-level and top executives the freedom to improve the process and promote an intelligent aspect towards leadership positions, rather than be administrators.

This study is cautious in suggesting that IBPI is superior to traditional budgeting practices. The skepticism was apparent when the qualitative study concluded that a new management philosophy or management style will not make any difference in agencies with the same negative perspectives toward acquiring new knowledge. The success of the budget process, within a government agency, will usually depend on the management style and the perception of bureaucratic attitudes, regardless of the new budget theory that is assumed. The findings of the qualitative work are illustrated in Table 5.3.

Table 5.3 Qualitative Data Analysis

Factors	Exc1	Exc2	Exc2	Obs1	Obs2	Obs3	Obs4
Strategic Planning	√	-	-	√	-	-	√
Long-Term Planning	√	√	√	√	√	√	√
Medium-Term Planning	√	√	√	√	√	√	√
Performance Indicator	√	√	√	√	√	√	√
Stability of Government Policy	√	-	√	-	-	√	-
Complexity of Policy	√	√	√	√	√	√	√
Leadership	√	√	√		√	√	√
Number of Agencies	√	√	√	√	√	√	√
Diversity of Agencies	√	√	√	√	√	√	√
IBP Resource	√	√	-	√	√	√	√
Flexibility and Openness to Changing Circumstance of Collaboration	√	√	-	-	√	-	√

From the findings, Strategic Planning, Stability of Government Policy and Flexibility and Openness to Changing Circumstance of Collaboration have a low selection rate. This finding is in line with the quantitative results for non-statistically significant factors of P value > 0.05. The detail of the in-depth interviews and observations can be seen in the Appendices.

5.7 Extended Literature Review

The study of a policy should be conducted over a long span of time in order to comprehensively investigate its eventual long-term impacts. Due to time constraints, this research is limited to examining the implementation of IBP carried out by the government sector regarding its Narcotics budget. An additional literature stream concerning budgeting structure and current practices in Thailand is essential to elaborate more detail of how IBPI can benefit the budgeting policy.

5.7.1 Initiating Integrated Budgeting in Thailand

According to the in-depth interviews, IBPs in Thailand are operating under the framework of the Strategic Performance Budgeting Based System (SPBBS). IBPs originated by constructing a group of expenses that share the same budget strategy without setting a synchronized or coordinated plan, strategy and expected outcome, which are totally different purposes of current IBP practice. The budget strategy is conceived by the Bureau of the Budget and conducted annually for every fiscal year by setting broad goals as the strategy for national expenses.

The formulation of a budget strategy considers the priorities of each government agenda and national medium plan and sets broadly expected outcomes without any measurable indicators. IBPs in the early years have served their purpose by providing the amount of expenses that the government has been spending on each national agenda and strategy; however, the part on performance budgeting has been set under the ministry and line agency performance indicators, the same as all projects with budgeted items. Moreover, former IBPs of have not been considered to be a priority agenda, not by themselves anyway; however, they are in a way acting as a high priority program

under the strategy of each ministry and line agency. The previous form of IBP, though, operated under the principle of SPBBS and operates under a different approach for integrated policy management.

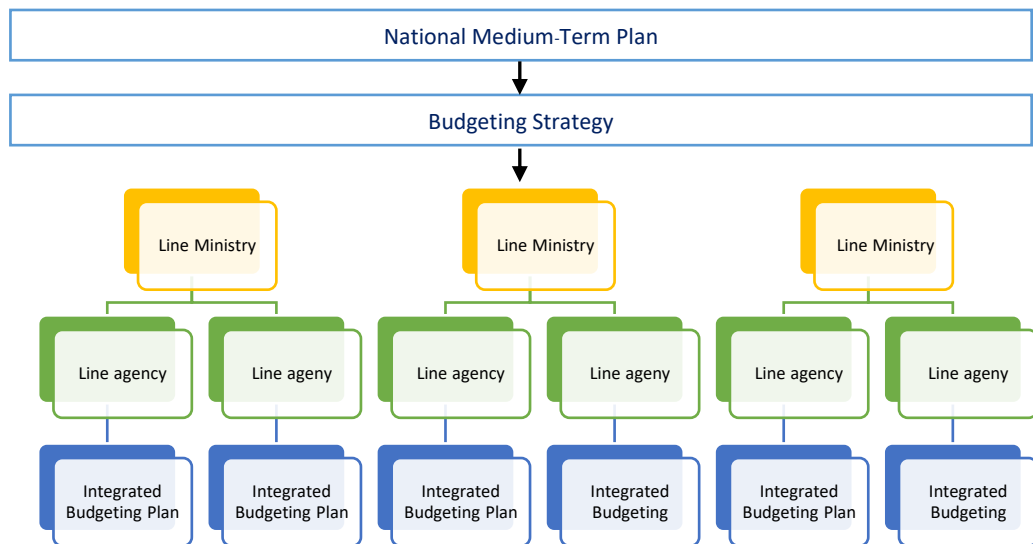


Figure 5.1 Early Years of Integrated Budgeting Plans in Thailand

Recent IBPs are constructed as one of the expenditure plans for operating high priority government agendas which need to be cooperated on by several ministries. IBP status is placed directly under the national strategy with specific goals and outcomes. The ministries and agencies will be accountable by the level of their associated mission with the IBP outcome. The performance indicators are attached to every level of activity, from a single activity, collectively, to the output and outcome level. In short, IBPs have been set directly under the framework of the Strategic Performance-Based Budget System (SPBBS), which means IBPs were implemented by taking into account national strategies under a clear administration structure and accountability, which has led to improvement in utilization of the budget.

The analysis offers a chance for clarity on the method of analyzing an array of knowledge. The analytical analysis style is helpful for examining the challenges facing organizations in their budgeting methods. Additionally, a case study strategy was utilized as a result of this study and is supposed to undertake associated intensive

investigation on however the budget contributes to the accomplishment of structured goals. Qualitative and quantitative analysis strategies were used to collect primary knowledge concerning the matter under investigation. Furthermore, quantitative analysis methodology was used to complement the qualitative one.

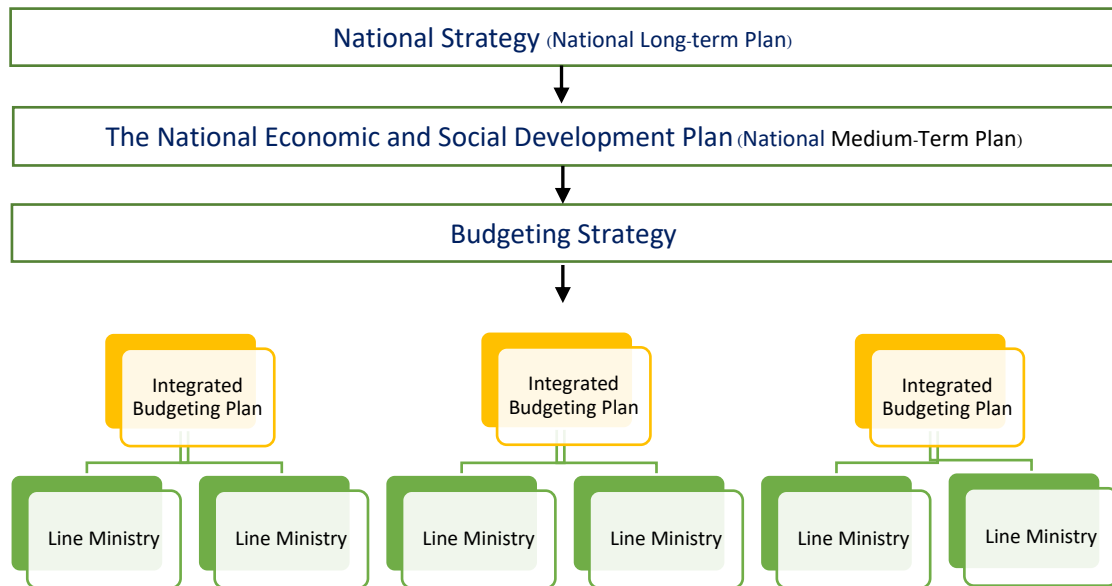


Figure 5.2 Recent Integrated Budgeting Plans in Thailand

5.7.2 Objective of the Integrated Budgeting Plan

IBP was designed to fill the gap in management on high priority government agendas for multiple ministries/agencies. IBP aims to utilize the specialty of each government agency and cooperate in enhancing the possibility of generating higher expected outcomes from the public sector. Many government agendas operate on the national scale where one ministry or agency cannot deliver on its own. The need of cooperation comes as the first objective in establishing IBP. In addition, the existing activities of each ministry/agency are merely to serve their routine missions and not to provide an immediate response for unexpected situations, nor be compliant with collective outcomes that require a particular government agenda to deliver.

Involvement in the budget process promotes ownership, and ownership of the budget process has a direct impact on employee motivation. There are significant

benefits to an organization that has employees that are involved in the budget process. A successful budget process depends on the involvement and partaking of the participants (Radu, 2011). The findings found that interpersonal relationships have long been considered an important mechanism of information sharing. Sharing information between subordinates and management is crucial for budget creation, and by sharing information, subordinates have a sense of ownership in the agency.

A significant benefit of IBP budgeting is that active involvement in the process aids in enhancing accountability and transparency. Another important issue with respect to budget ownership involves the steps that employees will take in other aspects of the operation. Policy innovation and budget participation have a direct relationship, including areas such as research and development. Many scholars believe that managers can synchronize budget planning with product ideas and motivation in order to create substantial and innovative products.

There appears to be a direct relationship between the success of an organization and ownership of the budget document. In the study of the relationship between budget participation and information asymmetry, the findings concluded that “the relationships between performance and participation in the budget were statistically significant”. It was found that if employees were consulted frequently during the preparation of the budget, the information derived from the budget document was more relevant to those who needed to use that information. It was also concluded that participatory budgeting is very important for control and planning purposes. Budgets are used to set plans for an organization. Targets set by the budget are used to assess employees and in some cases achieve budgeted goals that directly impact employee compensation. Dixon (2011) understood this alignment between budget targets and the benefits of budget ownership. He concluded that “participating employees have better success rates in achieving targets”. The reason for achieving targets, he continued, was that through participation the employees had a stake in the organization, which reflected upon themselves.

Employees are actively involved each day when they come to work. Heller (2003, p. 147) posed an interesting question, “are people not already involved by the mere act of working”? To be professionally challenged, employees should be more involved in the day-to-day operations of a business. Interaction could include the

development and process of budget preparation. By involvement in the budget process, employees have some position of ownership.

5.7.3 Formulation of an Integrated Budgeting Plan

Since IBP has been raising the bar to become one of the priority agendas, the government has assembled a composition committee for each IBP by the Deputy Prime Minister, who is the chairman who oversees the whole process of reporting to the Prime Minister. The core ministry/agency is the secretary appointed to be at the center of all associated ministries/agencies. According to the interviews, the core ministry/agency is the most important mechanism for managing IBP. The core ministry/agency will setup the plan, strategy, objective and expected outcome, and assign them to associated ministries/agencies. The central agency, BOB, is assigned to be the co-secretary regarding budget arrangement for NESDB to assure the linkage to the national strategy and OPDC as the indicators of performance quality.

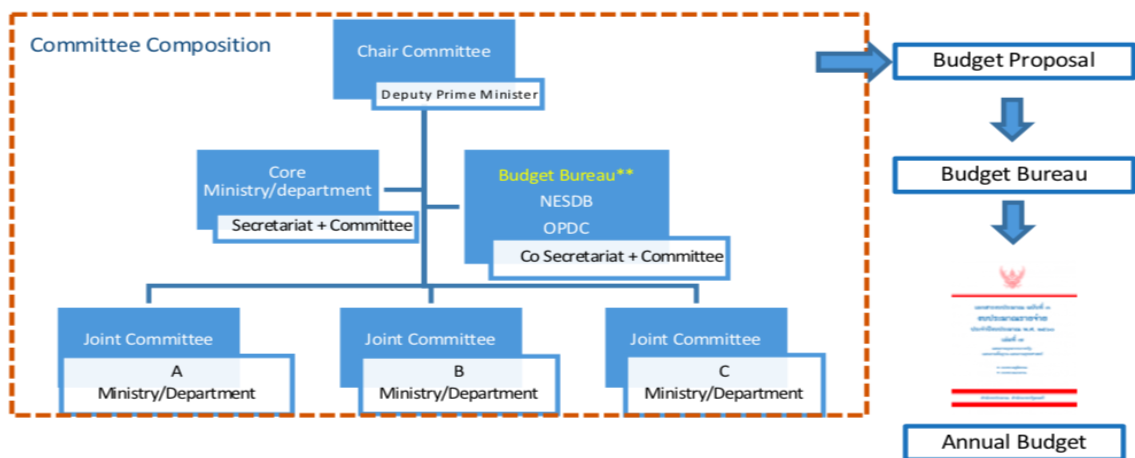


Figure 5.3 Integrated Budgeting Plan Composition Committee

Source: Bureau of the Budget, 2018.

5.7.4 Bureau of the Budget as the Co-committee for an Integrated Budgeting Plan

Although the committee is chaired by the Deputy Prime Minister and there are other central agencies to be co-secretary, the main responsibility is on the BOB as the consideration of linkage between the national strategy and proper indicators. The

assigned core and associated ministries/agencies need to be considered in order to set up proper expenses and arrange the government budget as a whole. As IBP is a priority government agenda, the BOB sets up an inside committee for each IBP, as different IBPs have different objectives. The BOB will work through the process with Top-Down budgeting and set up the high priority agendas as the government plan, once the agenda has been set up the core ministry/agency will be assigned. As for the budget allocation, the BOB has set 3 steps for the committee for reviewing criteria of the following:

- 1) Necessary: the relationship of the budget proposal and the contributions toward IBP outcomes must be a substantial amount.
- 2) Alignment: the linkage between activities within the budget proposal and other levels of strategy, which include national strategy, IBP goal and IBP action plan.
- 3) Redundancy: the activities from each agency must be in cooperation and should not be overlapping with each other.

There are 3 steps in budget consideration, the budget proposal will be reviewed by the committee that is chaired by a BOB executive from the Advisor, Deputy Director and Budget Director, respectively.



Figure 5.4 Bureau of the Budget Internal Process for IBP

Source: Bureau of the Budget, 2018.

5.7.5 Core Ministry/Agency

The core ministries/agencies of IBP are the secretaries who assist the Deputy Prime-minister, there can be more than one ministry/agency depending on the context of the agenda according to the expected outcome of each IBP and appointed by the Prime-Minister. They will work closely with associated ministries/agencies for planning strategy and arrangement and setup of a budget proposal for IBP. They will have to negotiate and re-negotiate over and over for developing the strategy, action plan and indicators at the IBP level.

If the Bureau of the Budget is the center mechanism between government and line ministries/agencies for linking budgeting to the government agenda, namely IBP, then the core ministry/agency is the main mechanism overseeing the functioning of the whole IBP to work properly. Since IBP consists of work from multiple ministries and agencies, the agreement must be mutual for the outcome, output, indicators and action plan that are established. Moreover, IBP must provide enough flexibility for different ministries/agencies to be conjoined properly. However, since the core ministry/agency does not have authorization over associated ministries/agencies, this can cause difficulties in the negotiations due to the same level of authority.

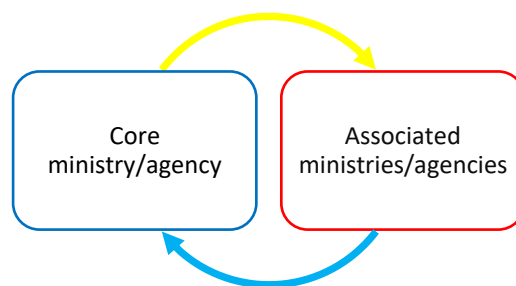


Figure 5.5 Relationship between Core Ministry/Agency and Associated Ministries/Agencies with the Same Level of Negotiation

5.7.6 Applying a Strategic Performance Based Budgeting System Framework

IBPs in Thailand, as stated before, are budgeting plans with a strategic policy and performance-based budgeting system framework. The strategic concept part directs the plan for the long-term and medium-term agenda levels and an action plan. The part

for performance-based budgeting is associated with the indicators of the IBPs, which will have indicators for measuring each element of strategic planning in the IBP.

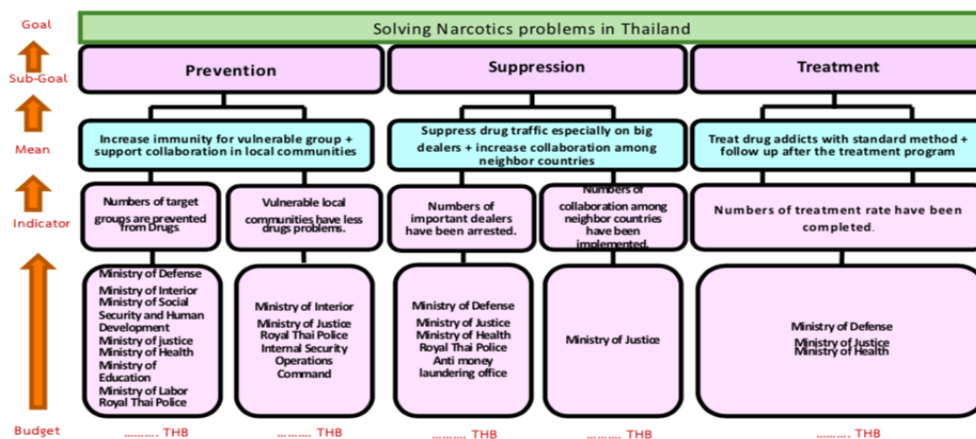


Figure 5.6 Integrated Budgeting Plan of Fiscal Year 2018

Source: Bureau of the Budget, 2018.

Table 5.4 Elements of Integrated Budgeting Plan in an SPPBS Framework

SPBBS elements (Strategic Planning)	IBP in Thailand	Narcotic IBP in Thailand	IBP Indicators (Performance based-budgeting)	Status of Development
Long-term Plan	National Strategy, 20 years length	National Strategy, 20 years length	Broad Indicators	Obligated, assigned
Medium-term Plan	The National Economic and Social Development Plan/ Agenda Master Plan, 3-5 years length	The National Economic and Social Development Plan/ Narcotic Master Plan, 3-5 years length	Broad Indicators	Obligated, assigned
Outcome	IBP outcome	Narcotic problem resolves	Outcome indicators	Original development
Objective	IBP objectives	1.Prevention of narcotics problems 2. Protection of citizens from narcotics problems 3. Treatment for patients influenced by narcotics	Objective output indicators	Original development

Table 5.4 (Continued)

SPBBS elements (Strategic Planning)	IBP in Thailand	Narcotic IBP in Thailand	IBP Indicators (Performance based-budgeting)	Status of Development
Action Strategy	IBP action strategy	6 actions strategies	NO	Original development
Responsible Agencies	Core agencies and agenda related agencies	1 core agency and 23 agenda related agencies from 8 Ministries and 2 public agencies that are not under the Office of Prime-Minister.	NO	Original development
Projects	IBP projects	Projects designed by core agency.	Project output indicators	Original development
Activity	IBP activities		Activity output indicators	Original development

5.7.7 Effectiveness and Efficiency of SPBBS Framework on IBPs

In order to understand the benefits of applying SPBBS to IBPs, the interviewees stated the differences between early years of IBPs without an SPBBS framework, and current practices with SPBBS frameworks that are more systematic. The long-term plan and medium-term plan, as the assigned task, acts as the guideline to develop an objective and annual action plan for effective horizontal policy integration. An Integrated Performance Management Framework, part of Performance Based Budgeting, provides the baseline data that allows measurement of comparable progress and results at predetermined intervals. Performance data explicitly focuses on measuring performance progress areas such as key performance areas (KPs), goals, objectives, outcomes, outputs, and activities. Such performance data are monitored against predetermined targets. The Integrated Performance Based Management system incorporates a long-term macro-planning framework through effective horizontal and vertical integration for national development and capacity-building. A well-structured national level strategic plan lays the foundation for focused sector and program level plans and allows ministries and departments to establish linkages to higher-level key performance areas.

5.7.8 Challenges of IBPs in Thailand

1) Linkage to a national strategy and plan

A national strategy and the National Economic and Social Development Plan (NESD plan) are set in broad terms in order to provide a guideline for entire public sectors which are difficult to design specific outcomes, objectives and indicators of IBP for, to justify the national level.

2) Indicators

IBP indicators have to be assigned to every level of strategic planning, including activity, project, action plan, output and outcome. At the level of output and outcome, KPI and joint KPIs are the differences between each agency's activities. The KPIs must be set to cover all activities and represent an effective and efficient level of activities which will have to be measured for one year of performance; however, many outcomes and outputs take several years to manifest their real performance achievement level. Furthermore, it takes massive amounts of information to serve the proper

indicators, therefore indicators sometimes come out as being the basis of available data, not because of the quality of the measurements.

3) Irrelevant Activities

In Thailand, the government gives IBPs a high priority agenda, which means when it comes to the decision of budget allocation, IBPs tend to get the attention of decision makers for budget allocations. Many agencies understand IBPs as an extra funds top-up from their average annual budget. Therefore, agencies try to create activities that can engage with IBPs by making the linkage to a national strategy which has a broad scope. Consequently, there are irrelevant activities blended to IBPs which cause ineffective and inefficient plans.

5.8 Key Success Factors for Implementing IBPs

According to the interviews, the Agenda Master Plan for 3-5 years length can be an important factor to resolve the issue of difficulty in specific linkages between the national strategy, IBP objectives at the plan level, outcome and output. Moreover, the core agencies which act as secretary for the Deputy Prime-Minister and the committee meanwhile act as operational leaders for related agencies. Core agencies are the center between related agencies and BOB, and advocate for the suggestion of relevant activity matters. However, core agencies have no authority over the operation of other agencies. The decision still has to be considered at the committee level, as the Deputy Prime-Minister is the decision-maker.

Table 5.5 IBP Elements with Challenges and Key Success Factors

IBP in Thailand	Implementation Challenges	Key Success Factors
National Strategy 20 years length	Set in broad terms, difficult to design specific outcomes, objectives of IBP to connect to.	Sequence the priority from top to bottom to create consistence between expected outcome and actual working plan.

Table 5.5 (Continued)

IBP in Thailand	Implementation Challenges	Key Success Factors
The National Economic and Social Development Plan (NESD plan)/ Agenda Master Plan 3-5 years length IBP outcome	For NESD plan, set in broad terms, difficult to design specific outcomes, objectives of IBP to connect to. Difficult to design and connect to a national strategy and plan.	Agenda Master Plan is set at more specific perspective for IBP development Needs linkage from medium term plan to simplify and transform outcome into annual working plan.
IBP objectives	Mostly has been interpreted and mixed up at the national outcome level.	Scope target group and expected outcome from only projects within IBP plans.
IBP action strategy	Hard to separate the strategy and be focused on expected outcome and target group at the same time.	Need to create obvious separation between expected outcome and target groups using information from objective of the plan.
Core agencies and agenda related agencies	No specific authority to make decisions.	Act as the secretary for Deputy Prime-minister and as operation leader for related agencies.

Table 5.5 (Continued)

IBP in Thailand	Implementation Challenges	Key Success Factors
IBP projects	Can be irrelevant due to the interest in gaining annual budget of agencies.	Focused on target group and expected outcome of IBP only.
IBP activities	Can be irrelevant due to the interest in gaining annual budget of agencies.	Separate the activities between normal routine activities and activities to serve IBP.

5.9 Summary

This chapter delivers methodological characteristics of the current research. To answer the research questions in a scientific way, it is crucial to follow certain steps in the research. These steps define the quality of the research and provide structure to the research process in a qualitative manner to confirm the quantitative findings. Without losing control and accountability mechanisms, modern government budgeting can better support performance management by integrating known financial model outcomes with the budget planning and integration of performance trends. Financial performance management of the IBPI model will draw on a number of information sources and reflect the range of stakeholders and departmental perspectives.

The budget strategy and approach is presented in the fashion of a mixed method. The strategy in the current research is a single, holistic case study of Narcotics budgeting to support the findings of quantitative work of an IBPI proposed model. This implies in the qualitative study that in-depth interviews and observations are a single event, and the current research is only focused on observing a situation in the contextual process due to time constraints. The results of the qualitative research are significant, denoting empirical research where the data consists of insightful information. Triangulation method measurements were applied to explore deeply into the analysis. These findings are valued in an interpretative manner and are determined by the

researcher's judgment and stakeholders' perception. But without an integrated approach of the financial resources consumed, government agencies cannot measure value for money or make informed choices about future resourcing and service priorities. IBPI offers solutions, in which the fiscal operational performance and financial information can be integrated more closely. The main research objective is to develop a system which encourages budgeting issues to be considered together and develop a management system that provides a well-rounded picture, which the findings from this study offers.

CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

One of the most important objectives of Thailand's public sector financial reform has been to institute a method for disciplining and coordinating policies and exposing them to vigorous dialogue. A number of the challenges the government featured once it came to power in the early Eighties were like similar endeavors several developing countries are faced with nowadays. The new government had to manage each one as an on the spot business enterprise crisis and purge the unsustainable business enterprise commitments of previous policies.

To discipline policy formulation and win political support for a resetting of national strategic priorities, the new administration set out to publish estimates of future defrayment under existing policies. These projections painted a bleak image of unsustainable real growth, underscoring the need to reduce waste. Once the government had revealed these estimates, however, it became incumbent upon the govt. to still administer; therefore, for instance, continuous declines in future commitments that it had secured had to be endured. IBP was selected among other organizations as an organization that has faced insufficient capital expenditures resulting from poor performance or under performance. This fact has been generating debts for the organization, i.e. in the Mid-Term and Long-Term Budgets. This organization was selected as it faces an insufficient number of budget experts to carry out its budget preparation process, and also, the researcher found that the organization faces poor administration in its conduct.

In addition, it has been insufficiently empowering its human resources when it could be offering training on budgeting to build their capacity, which could enhance its effective budget formulation. However the case study was ready to offer its support in terms of providing the information that is required and the time for accomplishing this

successfully. The reforms conjointly need the government to publish reconciliation tables, showing projections for existing policies that differ from those for the new budgeting policies. These measures helped to create apparent changes within the government's strategic priorities, also within the medium-term price of recent commitments. In addition, the projections created resource flows to the ministries, since the projected figures were mechanically rolled over into the particular budget if no changes in policy intervened. This helped improve decisions and also the operational potency of line agencies. The reforms conjointly needed that line ministries proposing a replacement policy, or changing an existing policy, would increase defrayment, conjointly projecting antagonistic savings. This ensured that defrayment stayed among the resource envelope within the Board. The Board centered on changes in strategic priorities of new policies to adopt, and existing ones to chop - to remain among economic science constraints. Policy proposals were debated smartly among the Board, and every one of the affected ministries and agencies were needed to submit written comments on the sources of their agencies' proposals. This helped legitimize and build consensus on policy priorities. Finally, the reforms centered attention on results, through mandated periodic evaluation of recent and existing policies and thru coverage on performance and outcomes.

Thailand's deficit in the 1990's became a surplus by the end of the decade because of an integrated budget policy. Related to this accomplishment were important changes within the composition of public expenditures, reflecting each broad strategic shift known by the Board along with changes in priorities among ministries, usually known by the agencies themselves. Budget system reform is a must to enhance the effectiveness of each department, especially, in the narcotics aspect.

The concept of integrated policy is becoming more and more important for the public sector. By combining the specialty of multiple agencies, government can provide more efficient and effective goods and services and even more accuracy for operating certain agendas. The Bureau of The Budget plays a role in linking budget with government policy and operating an integrated policy by using the Integrated Policy Plan as the mechanism for overseeing the whole operation of the plan through a budget dimension. IBP in Thailand is a government agenda that links the agenda directly to each agency, the operation is measured by the success of the whole plan, which needs

not only each specialty of each agency but the efficiency and the effectiveness that comes with cooperation of multiple agencies. However, the findings in this study argue that although current IBPs are practical, in the aspect of Narcotics budget planning, IBPI offers a better solution.

6.1.1 Quantitative Findings

The chosen framework can guide researchers to choose a theory and apply an essential set of beliefs that establishes a set of practices and a worldview to create a holistic trove of data. This study has tried to choose acceptable analytical tools to see the actual analysis queries in order to analyze causative relationships among the foremost variables of policy performance once the research drawback has been narrowly made public. The investigation was then influenced by the literature review and conjointly the designed instruments to urge data that are capable of objective examination and express an assortment of analyses and knowledge reflected inside the tested hypotheses.

Conceptual Framework

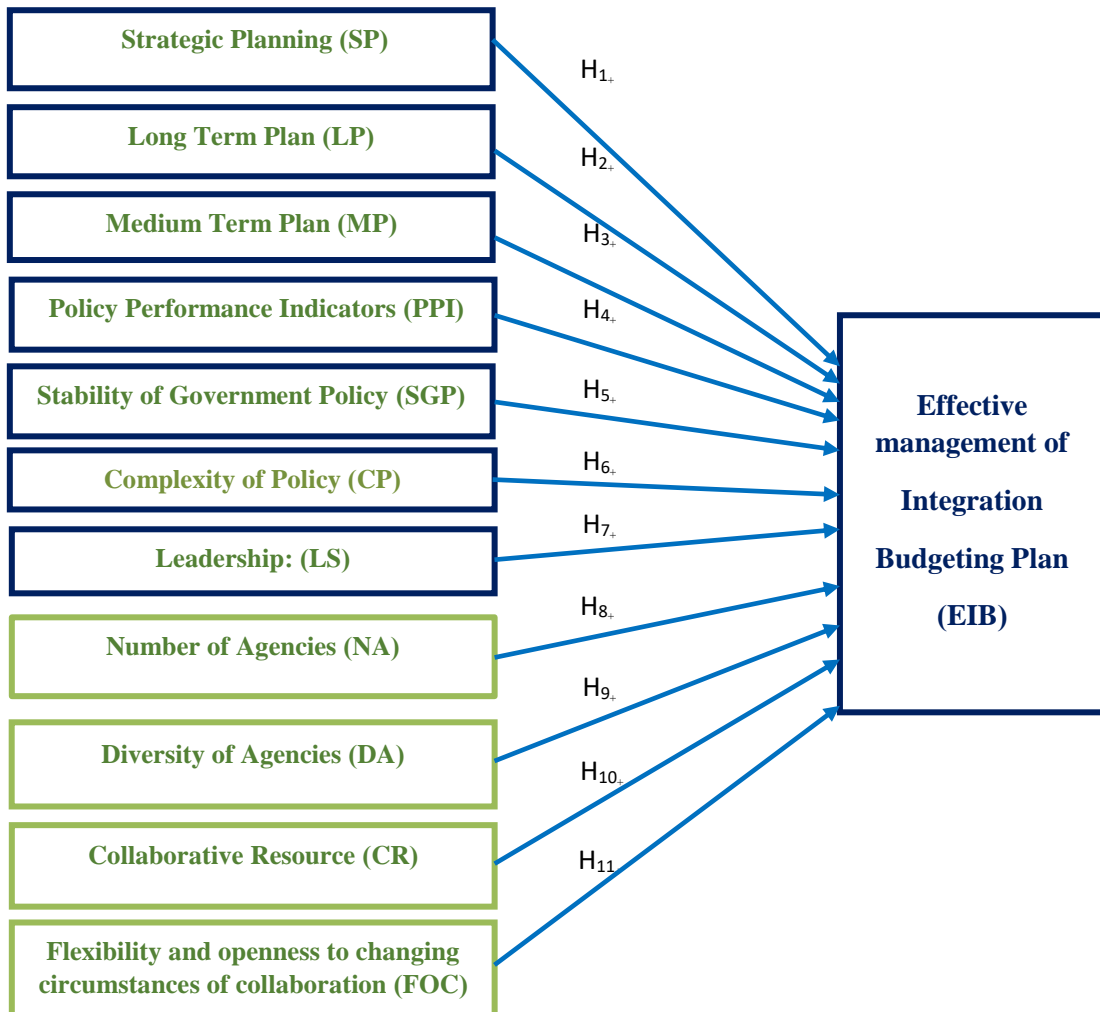


Figure 6.1 Conceptual Framework

Policy integration problems in the management of cross-cutting issues in the political domain transcend the boundaries of established policy fields and often do not correspond to the institutional responsibilities of individual departments. Inside the policy literature, several disciplines address policy integration, although not endlessly bearing this specific term. A spread of different connected terms are used, like policy coherence, cross-cutting political, combined decision-making, policy consistency, holistic government, joined-up government and, above all, policy co-ordination. These ideas unite at developed intervals of structured theories, like those of inter-

organizational co-operation and co-ordination, collaboration, intergovernmental management and network management. Thus, the abstract framework unfolds.

This model has aimed to utilize the relation between Policy Factors and Inter-organizational Factors with the effectiveness of the Integration Budgeting Plan in order to find the significant factors for budget management. In order to be effective, the creation of the budget should be a collaborative approach in order for the organization and its individuals to succeed. Establishing a cohesive, cooperative decision-making plan that evaluates alternatives and determines that a financial model can be a manifestation of the integrated approach should be considered when preparing annual budgets or forecasts. Government organizations, as well as private industry, continue to search for improvements to the budget process. Budgeting is a fairly simple concept. IBP budgeting means that employees and subordinates decide what priorities and projects should be included when preparing the budget (Baiocchi & Ganuza, 2014). An open structure of budget planning to decide on procedures that regulate effective communication also contributes to a successful budget plan. This framework aims to see an increasing predictability of resource flows and the criteria by which funding decisions are made, these are the objectives of the IBP approach. In many developing countries, the resource allocation process is plagued by uncertainty, much of which is self-inflicted. A common tendency to make overly optimistic revenue projections is one example of how governments themselves increase the uncertainty of resource flows.

In the quantitative information analysis, primary information was accumulated through structured form surveys so hypotheses could be tested on the premise of the helpfully collected information. The data, obtained within structured form surveys, were fed into an SPSS package and therefore the transformation of variables was applied to create them usable for SPSS. MLR is employed to work out the connection among independent variables and investigate the information to check the hypotheses. MLR serves as a vital tool for developing information that involves recognition of variables, and therefore the progress of a theoretical model. Eventually, the hypotheses were developed to support the theoretical model. MLR is helpful for locating relationships between 2 continuous variables. One is the predictor or variable, and the alternative is the response or variable. The relationship between 2 variables is claimed to be settled if one variable is accurately expressed by the opposite.

Table 6.1 Hypothesis Findings

Hypothesis	Result
H ₁ : Strategic planning impacts effective management of the Integration Budgeting Plan	Rejected
H ₂ : Long term plan impacts effective management of the Integration Budgeting Plan	Accepted
H ₃ : Medium term plan impacts effective management of the Integration Budgeting Plan	Accepted
H ₄ : Policy Performance Indicators impacts effective management of the Integration Budgeting Plan	Accepted
H ₅ : Stability of Government policy impacts effective management of the Integration Budgeting Plan	Rejected
H ₆ : Complexity of Policy impacts effective management of the Integration Budgeting Plan	Accepted
H ₇ : Leadership impacts effective management of the Integration Budgeting Plan	Accepted
H ₈ : Number of agencies impacts effective management of the Integration Budgeting Plan	Accepted
H ₉ : Diversity of agencies impacts effective management of the Integration Budgeting Plan	Accepted
H ₁₀ : IBP Resource impacts effective management of the Integration Budgeting Plan	Accepted
H ₁₁ : Flexibility and openness to changing circumstances of collaboration impacts effective management of the Integration Budgeting Plan	Rejected

The findings point out 11 independent variables, there are 8 variables that are statistically significant with the P value is less than 0.05. Figure 6.2 portrays the path diagram of the model structure along with the output for hypothesized relationships in the new proposed model of effective management for the Integration Budgeting Plan.

According to Figure 6.2, there are 8 significant factors extracted from original budgeting ground theories. Nonetheless, the proposed model can be classified into 2 groups of variables, which are: the policy and performance budgeting factor, and the inter-organizational factor. As a result of multiple regression analysis, the result of variables which are statistically significant appears to explain up to 82 percent ($R^2 = 0.819$). From the findings, EIB in Thailand relies on long term and medium term plans which influence budgeting implementation. It refers to the idea that budgeting planning will have an effect on how the policy is designed, in this case, narcotics problems. Second, policy performance indicators refers to its goals, an implicit causal theory about how to impact the problem situation. Third, complexity of policy refers to major elements of government policy formulation. Leadership can inspire the teams to accomplish effective budgeting policy. All variables of policy implementation by IBP are examined and statistically significant at $P < 0.05$, as shown in Table 6.2.

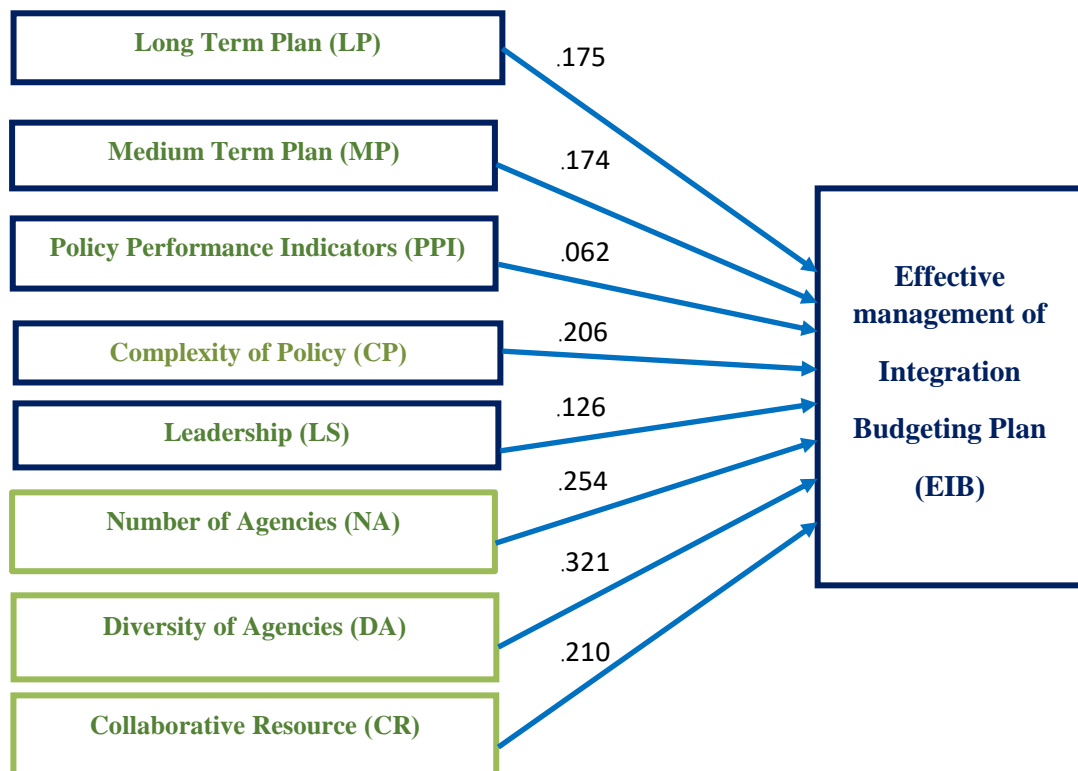


Figure 6.2 Proposed Model

New Equation of IBPI

$$\begin{aligned} \text{EIB} = & - 266 + .206 \text{ CP} + .210 \text{ CR} + .321 \text{ DA} + .254 \text{ NA} + .175 \text{ LP} + .174 \text{ MP} \\ & + .126 \text{ LS} + .062 \text{ PPI} \\ \text{F} = & .589 \qquad \qquad \text{P} = 0.00 \qquad \text{R}^2 = .819 \qquad \text{Adjust R}^2 = .813 \end{aligned}$$

This new finding of a new model, which makes a case for the effectiveness of integrated budget management in Asian nations (EIBT), is essential. It is potentially a different answer for the Budget Bureau and different government agencies. The MLR as a prognostic analysis, multiple statistical regression is employed to clarify the connection between one continuous variable, that is, that the effects of IBP, and eight freelance variables. EIBT is able to forecast the effects or impacts of changes. This analysis helps government to know what proportion the effects of IBP can modify once the new budget policy changes over every twelve months.

6.1.2 Qualitative Findings

Qualitative analysis technique claims to urge nearer to the subjects' perspective, considerably in rising analysis areas. Thus, semi-structured interviews triangulated with the agencies' documentation regarding budgeting activities were conducted and analyzed using content analysis throughout this study. Additionally, observation was jointly very important in the vicinity of data triangulation throughout this study, if accessible. As a consequence of the accessible time and restricted resources of this study, observational study of individuals for each of the units of analysis inside the circumstances wasn't possible, even though the advantages of all the observations were obvious. However, the investigator did make an endeavor to stay free from any prejudice by serving as a limit to the sampling or determined management, even though this might clearly have a sway on strategy consistency. Moreover, the investigator was centered plenty on contextually perceptive participants, since the preliminary technique of knowledge assortment was interviewing. In order to discover the participants' perceptions concerning how budgeting activities towards stakeholders affected their performance, the following issues and questions were examined.

The units of study were department high-level managers from selected government agencies in budget design that were directly and indirectly associated with narcotics budget designing activities. In accordance with the visibility of their objectives and their accountable activities, the chosen departments received focus at the director and deputy director levels. Agencies structure varied: some units had a limitation on management and the quantity of workers, whereas others had varied subdivisions with completely different departments. With a range of agency sizes, employees and responsibilities, these approaches were studied through their involvement within the firms' budgeting activities. This could clarify whether or not there was homogeneity or heterogeneousness in budgeting-related outcomes within the agencies inside the Thai government. However, so as to remain removed from prejudice by solely determinative recognized policy contributors, the choice was made to involve corporations that are recognized as having sturdy IBP implementation.

Through private connections, the study was ready to find 3 high-level executives from selected departments and different units of budget design departments as participants. These high-level executives included Director Level 8, Senior Consultant Level 10, and Deputy Director of Budget Bureau Level 10. Because of analysis scope and constraints, this sampling didn't entirely cover budget involvement within the government, though a trial was created to sample the broadest form of objectives and their responsibilities inside the scope of this analysis. As Donald, Arthur, Glaser and Strauss (1967) explained, "the purposive methodology of sampling is complemented by the comparative methodology of sampling that permits selecting instances representative of various aspects of reality". Thus, by selecting a range of managers from mixed industries and different stratified levels of agencies, we outlined the persons behind the method of selecting and implementing socially-responsible action who would be ready to facilitate the corporations and their activities as a full review for in-depth information.

Observations were additionally used for qualitative analysis, that is, only the absence or presence of a property was noted, or quantitative if a numerical value was attached to the observed budget phenomenon by counting or measuring. The researcher attempted to produce the most inclusive and attentive discussion of event studies related to the influence on agencies' and inter-agencies' values in seminar and training event

announcements, such as annual budget planning seminars arranged by the Budget Bureau for budget personnel training. As a consequence, this study discovered that among ten factor studies, there was a significant relationship between the budget performance factor and the inter-organizational factor toward EIB. This result was confirmed by IBPI, which claimed that by performing these new practices, the department could instantly be more robust in their financial position.

Considering the larger analysis inquiry, the analyses of the participants' interviews and their individual firms' documentations indicated relevancy toward their consciousness of how their budgeting activities regarding the firm's stakeholders had a bearing on their department and money performance, yielding mixed consequences. There was a growing contradiction between the high-level executives' perceptions, tips and norms, and therefore an absence of absolute standards for central budgeting. This can be relevant to students of United Nations agencies who believe that these levels of quality are in all probability a total reaction to different moral behaviors, cross cultures, generation teams, and institutional and individual worth systems. Overall, the study found a positive however weak correlation. It was usually determined that budgeting might generate department performance, and therefore, most sizable units were energetically concerned in it, nevertheless some high-level executives were responsive to their involvement during this necessary subject. As may be seen from the analysis section that the challenge of budgeting involvement ranged from not having enough finances, resources, performers, and time, to agencies' capabilities to participate in a narcotics facet. Above all, whether or not they sincerely tried to be generous to society, or only broadcast their performance so as to strengthen department impressions and eventually publicize their positive name within the money performance, it eventually ought to bring mutual profit in the end. However, IBPI, in all probability, ought to be distinctive for various departments and will be strategic in nature once it results in multiplied gains. As a matter of truth, IBPI is needed in some departments, whereas IBPI may use various budget designs. This difference exists as a result of some departments being required to socialize with sensitive ethical subjects and to suit governmental legal and restrictive frameworks relating to narcotics. As a consequence, before an effort to participate in any IBPI activities, departments ought to painstakingly think over the strengths and weaknesses of such actions.

The study found that the traditional approach to budgeting is an approach that is forced down from the top. The overall reason for an authoritative approach to budgeting is that of control. Control is often defined as how many subordinates a manager can effectively and efficiently impact at the executive level. Dixon (2001) stated that “the upper levels of the agencies needed to control both the work practices of employees and their access to and use of organizational resources”. The findings did not determine if this was a superior budgeting method or not. However, it concluded that the traditional approach to budgeting could lead to game playing. Within the IBP approach to budgeting, as the researcher further discovered in observations, participation is not always evident. The behavior of those involved, directly or not, is predictable and a natural result of a centralized, top-down budget system. Participants did not delve into the merits, or lack thereof, of traditional budgeting. The belief was that this process could work for some agencies depending on the leadership of the agencies. However, the findings concluded that, although executives are not necessarily included in the up-front preparation of the budget document, with a traditional approach the executives become very astute at playing a budget game in order to achieve their own agenda. This study is cautious in suggesting that IBPI is superior to traditional budgeting practices. The skepticism was apparent when the qualitative study concluded that a new management philosophy or management style will not make any difference in agencies with the same negative perspectives toward acquiring new knowledge. The success of the budget process within a government agency will usually depend on management style and the perception of bureaucratic attitudes.

6.2 Significance of the Study

IBPI budgeting is an importance topic, since there are a number of people who are both directly and indirectly affected by the budgeting process. This study is concerned with the vital needs of citizens, external users, and internal users of financial information that depend on accurate budgets in decision making. The problem concerned in this qualitative case study is whether an IBP approach to budgeting will have an effect on the Budget Bureau (BB) of relevancy and reliability concerning the budget process. The accuracy of a budget is a vital key to agencies, since they are the

ultimate responsible agencies demanding a finding in order to serve their citizens and departmental duties. Agencies also have an impact on the budget function for national budget planning. Direct correlation of the agencies' performance is vital to confidence in the BOB and its stakeholder's needs.

To make the research worth considering, or considered with significance, the research outcome must be relevant, significant and interesting to academic society. The budget integration topic emerges from years of accounting field and budget preparation work with various methods. The findings are also with relevancy because they are improved continuously; such relevancy is needed in all fields of government, including the accounting field. For accountants, improvements to the budget process are worth considering. When conducting the literature review, several gaps in the literature were discovered because of IBP budgeting and improvements in the budget process. On the grounds of changes in management principles study, it was found that very little is known when consideration is given to making a replacement of the annual budget with other information tools.

IBP could not make the determination as to whether there is process improvement with the abilities of decision-makers within an agency by making a replacement of the annual budget. Exploration is still required at all levels regarding the budget. Striking gaps were found by the study with the indication that academic society is likely to have little knowledge about what constitutes effective budgeting. The discovery of another gap was that there are many open questions remaining on the point of engaging employees in the budgeting process. An attempt of this study was to point out the issue of improvements concerning the budget process. The impacts on employee performance, which were found in the literature stream and findings, included the leadership style for budget preparation. It was pointed out that research regarding budget preparation has received only intermittent study. This research study indicates that the premise, which is an IBPI approach to budgeting, should be taken into account within the conduct of exploration and the involvement of employees helping throughout the process. There is also the study concerning employee participation practices. The indication of such study is that there is a gap in the literature about the importance of employee involvement. There should be involvement of the employees in IBP budgeting. This study has taken employee involvement into consideration,

through collaboration, and also shows that the budget process could be impacted depending on the method of budgeting used. Last but not least, from the literature review, the researcher realized that additional research is needed on participative or IBP budgeting. The objective of this research study is to make an expansion upon this identified gap by taking how the budget process can be improved into consideration.

There are several key issues that surround the topic of IBP budgeting and process improvement. First of all, the accuracy of budgeting and the achievement of forecasted results is a major measure to ensure reliability and credibility of operational efficiencies. Intelligent, up-front choices, such as an IBP approach concerning budgeting, appears to be a stronger alternative for successful budget implementation. There is also the gathering of information regarding budgets and the feelings of the participants during the interview process. Questions asked of the participants were non-specific about budget to actual results, in order to determine the success of the budget approach.

Secondly, a practical benefit from this study was taken into consideration in case an IBP approach can bring about more accuracy and worth in the budget. The significance of this study is evident as inclusive budgeting and can also provide a sense of teamwork within an agency. Studying the IBP approach to budgeting is a key point, since there are many integrated components concerning budget preparation. There should be further enhancement of this study to determine whether IBP budgets can instill a sense of ownership and responsibility for managers to reach specified targets.

Last but not least, the direct impacts on employees are of significance in this study. With an IBP approach to budgeting, there is a chance that employees shall take more ownership and assume more responsibilities within agencies. Collaboration could be an indirect improvement of morale within agencies. A finding of this study is that the operations that are actively involved in budget creation have the likelihood of success greater than without active participation. The impact on employees is examined in case an IBP approach is employed. The best practice strategy that can be developed from this study may establish new and improved operating guidelines as an assurance to the employees who are consulted on the budget during the budget preparation, especially in their specific operational area. The resulting effect could be improved financial results.

6.2.1 Significance of Practice

Budgeting is performed by many corporations. Potential improvements, or innovative models that can enhance the process, shall be beneficial to those who are participating in the process and to those who use the budget reports in their decision making. Inventive theories in budget policy are usually welcomed and actively encouraged to optimistically produce enhanced results. An exploration of improvements to the budget process could be beneficial to both short and long-term businesses. Many scholars believe that improvements in management theory can eventually find their way into the classroom to become theory that shall be further explored and studied. The aim of this study is make that enhancement and augment business processes.

The significance of this research study from a practical position is evident, as any improvements in the budgeting process could potentially provide a sense of teamwork within agencies. The significance of a research study often exceeds the application of existing research and theory. The findings set out to determine if the IBPI approach to budgeting should be taken into consideration, since there are many integrated components which are budget preparation related. The significance of this study was further made with an examination of an IBPI approach to budgeting that could instill a sense of ownership and responsibility in the executives trying to reach their goals. Finally, this is a vital study since the examination is conducted by studying those operations that are actively involved in budget creation, and whether the likelihood of success could impact financial results.

6.2.2 Significance of Theory

There is a sufficient amount of research on budget preparation and it is worth considering the amount of current literature concerning budget formulation. Nowadays, the core of research studies is on several important subjects, with these points included: budget preparation, why agencies budget, and the reasons management utilize budgets for control purposes. The expansion of findings is on the conceptual framework outlined in Chapters 4 and 5 with a consideration of alternative approaches to budgeting and the need for budget improvement. However, there is still a loophole in the literature concerning how an IBP approach could benefit and make improvements to Thailand's

budget process. Another indication of a loophole concerning the budget improvement process was determined; in the research, there was an indication from much of the prior research on participative budgeting that had analyzed the consequences of participative budgeting in the scope of performance. This qualitative and quantitative research study will consider the budget process, rather than the final outcome of the prepared budget document. Finally, there was a gap in the literature regarding how collaboration could improve the budget process. This research study filled that gap in the literature. In agencies' day-to-day decision making, lower and mid-level management are mostly excluded. There is a widening gap in the area of employee involvement and empowerment in many government agencies. How a budget is developed was considered by the study, together with budgeting benefits; however, there are few studies related to actively engaging employees in the budgeting process from start to finish. Additionally, another loophole in the theory occurs since there is no extensive study of the relationship between budget planning and IBP preparation. While collaboration appears to be a meaningful method of preparing a budget, the number of firms that actually practice that approach appears to be minimal.

IBP is mandated as a strategic planning framework under the Performance Based Budgeting System. Hence, all ministries and departments are needed to make preparation of their strategic plans concerning resource allocation which uses IBP as part of the SPBBS system. The design of IBP in Thailand contains sufficient detail to capture specific information on a variety of levels, together with the establishment of linkages between one level and the next. Information which focuses on results at various levels is vital for relevant stakeholders. The overall nature of IBP also focuses on long-term goals that are broken down into shorter-term budget-linked objectives. IBP also makes an establishment of major linkages between sectors and creates inter-agency coordination. As a result of the integrated nature of the IBP, it has become a primary performance monitoring and reporting tool.

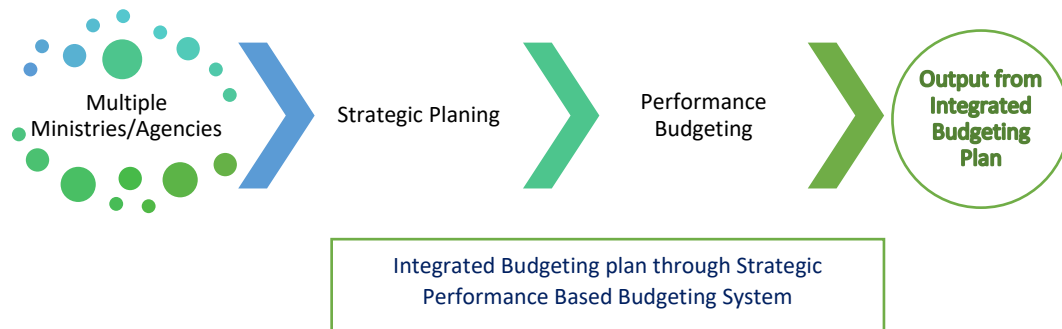


Figure 6.3 The Process of Constructing an Integrated Budgeting Plan

6.2.3 Significance to Social Change

Since budget preparation takes time, energy and time, efficiency in the workplace has a direct impact on the well-being of society, which can also be influential to social change, such as with narcotics. Budget preparation can directly impact government services satisfaction. In this study, the results concluded that there is an urgent need for agencies to effectively manage resources. IBP budgeting has an indirect impact on social change matters. If operational executives are included in the budget process, they may have increased budget performance. If an IBP approach is used, there is the possibility that a sense of teamwork will progress in the workplace. In the circumstance that collaboration is used, budget performance could be increased, which will ultimately lead to a better relationship among agencies that enjoy discussing budget matters. Qualitative results found that budget participation is positively associated with performance. Employee satisfaction and morale can be affected depending on the budget process. Moreover, whether the process is inclusive or not, administrations are directly enmeshed. Since most administrations tend to have the need to be part of an effective and efficient team that can make a positive contribution to society, the method of budgeting can affect this notion.

Effective budgeting is vital, since the direct impact on social change that reflects the accuracy of a budget can also have an impact on an individual's way of life. Citizens count on agencies to meet and exceed budgeted targets. If agencies conduct accurate budgets, citizens may have more confidence in such agencies. Greater confidence in agencies can impact share prices and perhaps, dividend payout. There is an opportunity

that, depending on the agencies' budgeting approaches, the agencies as a whole will give more information accuracy and in turn could have better operating results.

6.3 Recommendations

This study of Integrated Budgeting Plans in Thailand has revealed progressive development through SPBBS for several years. The whole process is considered to be new for all ministries and agencies to coordinate their work directly under a strategic framework as they serve the government agenda outside of the formality of government hierarchy and differences of interest among agencies. Ministries and agencies are familiar with the stand-alone operational concept and focusing only on their agency mission. The idea of cooperation still needs to define a clear boundary of operation in order to pitch in with more communication, both in a vertical chain within each agency and horizontally among agencies.

According to the finding results, there are several points that should be brought up and discussed before applying IBPI.

- 1) National strategy in Thailand and legal boundaries

In Thailand, the linkage between objective, mission and budgeting plan in a public agency for national strategy proposals are mandatory due to constitutional obligation. IBP must be linked to a national strategy one way or another, through agency objectives or through IBP objectives, which in this study shows that the link through IBP objectives provides a clear goal and direction which can assist agencies to operate with better cooperation; furthermore, government and the Bureau of the Budget can have the big picture of the expenses in each strategy annually. Therefore, in other countries the use of strategic planning must have a concern for the legal framework and level of strategic planning, because the linkage might be different.

Moreover, national strategies in Thailand are long-term plans which are the roadmaps to guide what we will see in the next 20 years with broad goals and targets. However, currently there is no budgeting framework support for the national strategy or long-term budgeting plan. Therefore, the efficiency of IBP that links outcome delivery on the national strategy level cannot be measured against the long-term

budgeting plan, there can only be a measure for efficiency in terms of output and expenses within one year.

2) IBPI is not the only answer for performing national strategic tasks

IBPI under an SPBBS framework can be a useful example for others' operations that need to perform policy in a horizontally integrated manner. Not only can strategic planning systemize the whole process, performance budgeting also requires the process to be measurable in terms of effectiveness and efficiency. Furthermore, an integrated process also promotes a governance principle through the cooperation of multiple agencies, which increases transparency and accountability in operations.

IBPI in Thailand considers a new budgeting plan and there are several points that can be improved on for better results of implementation. Since there are integrated natural operations, there are various decisions that need mutual agreement, one of those improvement points should be extra time for negotiation among agencies and core agencies. An understanding of the true purpose for IBP should be promoted to reduce the interest in gaining more budget through participation in IBPs.

3) IBPI for the 12th National and Economic Development Plan

IBPIs are merely a snapshot of national goals which operate in the form of one agenda. The linkage between agencies to IBPI and national strategy should not be mistaken for holding one party responsible for delivering all the expected goals in each strategy. The agenda for IBPI should connect to the national strategy; the agenda is responsible for only the part that needs to be done in the current year, which cannot deliver all the expected output/outcome for each piece of the whole national strategy.

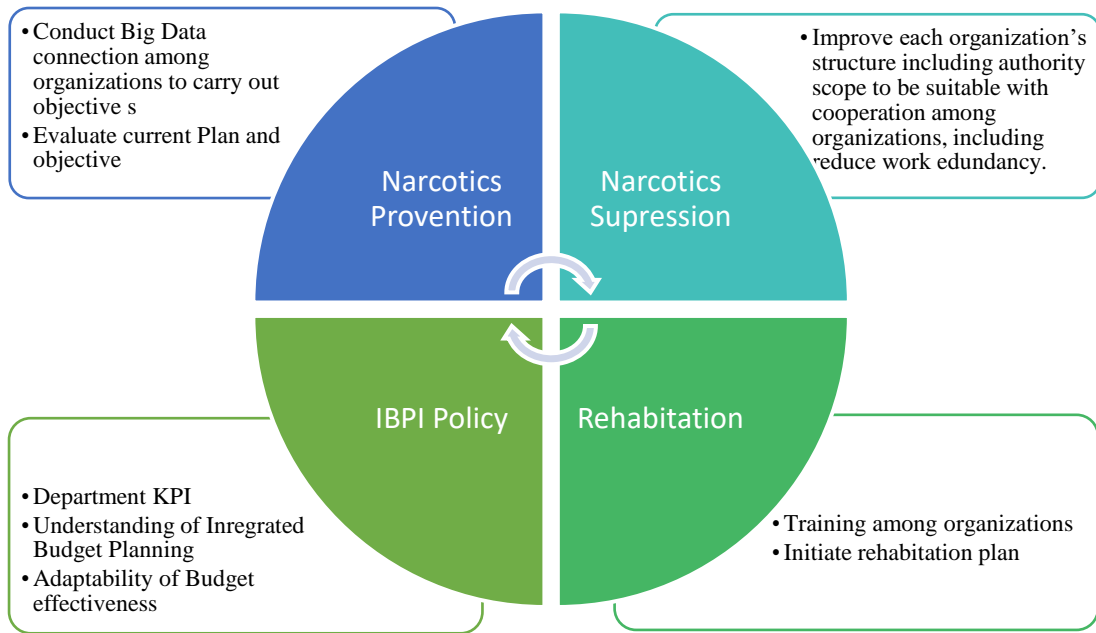


Figure 6.4 IBPI within the 12th National and Economic Development Plan
(Narcotics)

Considering the existing plans of the organizations, there are still loopholes which need to be smoothly connected in order to carry out outstanding and effective work. In order to make the connections and make such loopholes excluded from the plan between organizations, several matters needed to be addressed. The first one is utilizing big data as a tool to make connections in the plans of organizations. Big data, concerning information of the overall organization, must be used as a connection between organizations in order to carry out 3 aspects of narcotic data. This data enhancement which shall be used in decision making and decrease differences, difficulties and communication barriers among organizations. Secondly, make an improvement in the structure of each organization, together with authority scope, to hold suitability as a cooperating tool among organizations, together with focusing on work redundancy reduction. Thirdly, arrange co-training sessions among organizations in order to boost understanding of each organizational culture and reduce communication barriers.

Apart from the previous paragraph, the narcotics issue can be prevented by building community networks to alert authorities to narcotics problems in their own

communities, together with using such community networks in searching for drug dealer information to be used as a suppression tool to crack down on the narcotics trade in each community. However, one-sided measures like cracking down on the narcotics trade and drug dealers is not enough, the number of drug addicts needs to be decreased in order to reduce demand in narcotics, this can be solved by bringing former drug addicts who have undergone successful therapy to give advice concerning the disadvantages and effects of narcotics to the community.

The chart below shows the plan for overall IBPI support regarding narcotics, using the results from this research. This plan aims at creating an infrastructure plan between each agency in order to reduce the space between each entity, both in terms of policy and in an organizational aspect.

Therefore, in order to realize the full potential of an integrated plan of IBPI, the three following aspects must be overseen and incorporated into the 12th National and Economic Development Plan.

- 1) Big Data.
- 2) Laws and Regulations.
- 3) Inter-Organization Training

6.3.1 Big Data

Big knowledge is a term that describes an oversized volume of structured, semi-structured and unstructured knowledge that has the potential to be mined for data and employed in machine learning outcomes and different advanced analytics applications.

Big information is usually characterized by the 3Vs: the intense volume of knowledge, the large choice of knowledge variety, and also the velocity that the information should be processed. Those characteristics were 1st in 2001 for database management. Recently, many different Vs, like value, have been added to the description of huge information, as well as truthfulness, worth and variability. Though massive information does not equate to any specific volume of knowledge, the term is usually accustomed to terabytes, petabytes and even extra knowledge captured over time.

Such large data in budgeting can come from myriad different sources, such as financial transaction systems, department databases, medical records, internet

clickstream logs, mobile applications, social networks, the collected results of fiscal finance, narcotics-generated data and real-time data used in government environments. Data may be left in its raw form or reprocessed using data mining tools or data preparation software before it's analyzed for budgeting effectiveness. Big information jointly encompasses a large sort of financial information varieties, as well as structured information in BOB information bases and data warehouses, unstructured information like text and document files controlled in BOK clusters, or financial systems and semi-structured budget information like internet server logs or streaming information from each government unit. Furthermore, huge information includes multiple, co-occurring information sources which cannot be integrated. For instance, an enormous information analytics project might arrange data in order to gauge a narcotic plan's success and future budget planning by correlating past activity information, come back information and on-line performance review information for particular agencies.

Budgeting data veracity refers to the degree of certainty in data sets. Uncertain raw data collected from multiple sources, such as different platforms and objectives, can cause serious data quality issues that may be difficult to pinpoint. For example, an agency that collects narcotics data from hundreds of sources may be able to identify inaccurate data, but its analysts need data lineage information to trace where the data is stored so they can correct the issues, especially, how the budget is being utilized to fulfill its objective.

Bad knowledge ends up in inaccurate analysis and will undermine the worth of business analytics; as a result, it will cause executives to mistrust knowledge as a whole. The amount of unsure knowledge in a government unit should be accounted for before it's employed in massive knowledge analytics applications. IT and analytics groups additionally have to make sure that they have enough correct knowledge to supply valid results.

Some knowledge added to the list of characteristics of massive knowledge is viral. Not all knowledge collected has real aspects of true intention and therefore the use of inaccurate knowledge will weaken insights provided by analytics applications. It is vital that government organizations use practices like knowledge cleansing and make sure that knowledge relates to relevant budgeting problems before they use it in an exceedingly massive knowledge analytics project.

Additionally, variability typically applies to sets of massive data knowledge that are less consistent than standard group action knowledge, and will have multiple meanings or be formatted in several ways in which one knowledge supply complicates efforts to analyze the financial information. Achieving such velocity in a cost-effective manner is also a challenge. Many enterprise leaders are reticent to invest in an extensive server and storage infrastructure to support big data workloads. A public cloud provider can store petabytes of data and scale up the required number of servers just long enough to complete a big data analytics budget planning project.

6.3.2 Law and Regulations

Budget planning failure to link with fiscal policy could be the most significant issue contributing to poor budgeting outcomes at the macro, strategic and operational levels in developing countries like Thailand. In several countries, the law and regulations are fragmented. Political opinions, planning and budgeting crops up with every alternative. Development is usually confined to financial activities, which in several developing countries refers to a series of government-funded projects. Capital expenditures are mostly accounted for through the look method, when an oversized portion of perennial expenditures are pre-committed to the wage bill. For this reason, annual budgeting is reduced to allocating resources thinly across the nation, and domestically funded “investment” ends up in the nonwage portion of the perennial budget.

In addition, line agencies tend to budget and pay on an ad hoc basis as a result of even smaller discretionary allocations. Unpredictability of funding, from one year to the next in the budget year, is one of many factors that contributes to the poor operational performance of public sectors. Others include the failure to direct resources to policy priorities as a result of budgeting being treated as an annual funding exercise, not a policy-based exercise and therefore lacks the authority and responsibility given to line managers to manage resources at their disposal. Alternatives to weaknesses lie mostly outside the budget and IBPI can be the solution to that. Chapter five elaborated on the variety of disincentives for sound operational performance from qualitative work.

The findings found an absence of effective decision-making processes, where policy making and planning are disconnected from each other and from budgeting, and they are not constrained by resource availability or by strategic priorities. Largely, this leads to a massive mismatch between what is promised through government policies and what is affordable. The annual budgeting process therefore becomes more about scrambling to keep things afloat, rather than allocating resources on the basis of clear policy choices to achieve strategic objectives. Thus, budgeting law and regulation reform is mandatory to bring about effective budgetary spending in each government unit.

These conflicting perspectives are understandable. The Finance Ministry is constantly battling weak domestic revenues, the debt servicing burden and mounting claims on budget resources. Since it has responsibility for the macroeconomic consequences of fiscal deficits, the BOB has no alternative but to preach the “availability” message through tight budget ceilings. If a satisfactory budget cannot be prepared, it remakes the budget during implementation through the release of funds mechanism, at a high cost to project and program efficiency. Line ministries build/inherit commitments that lack the resources to meet them, yet must daily confront the consequences of inadequate allocations. Population growth, the running costs of newly completed projects, and unforeseen crises like narcotic issues further pressure slender budgets. Budget bids are submitted two to three times over finance ministry ceilings. When requested to concentrate resources on priority programs, departments answer they have no mandate to cut services. Privately, they fear that to submit a lower bid within the ceiling would make them vulnerable to further cuts. The debate about “needs” makes no connection with using existing program allocations more efficiently. Therefore, it’s imperative to improve each organization’s structure, including authority scope (by laws or regulation reform) to be suitable with cooperation among organizations, including reducing work redundancy.

6.3.3 Inter-Organization Approach

In countries where the gap between commitments and resources is so large, a satisfactory diminution is unlikely to come within the tight perception of the annual budget. A more essential restructuring of public expenditure has to take place, engaging

finance, planning, line ministries and Cabinets (because inter-sectorial trade-offs have to be faced) in a process that has a long and medium-term perspective. Government units, too, need to be involved because of their heavy contribution to budget financing. “Availability,” both domestic and aid, must be projected beyond a single year, and indicative shares communicated to departments. “Needs” must be prioritized and made consistent with the IBPI framework. All this must happen in a manner that encourages departments to re-examine commitments and their resourcing with central ministries in a more cooperative framework.

Increasing the certainty of resource flows and therefore the criteria by which funding selections are created is the target of the medium-term approach. In several developing countries, the resource allocation method is affected by uncertainty, much of that is self-inflicted. The common tendency to create faulty optimistic revenue projections is one example of how governments themselves increase the uncertainty of resource flows. The whole link between policy selections and offered resources is another supply of uncertainty, once again self-inflicted. As a result, it may well be avoided by implementing a rigorous method that links dogma and budgeting. The key is increasing certainty and strengthening the links between policy, as well, budgeting is a good forum at the middle of the state and associated institutional mechanisms that facilitate the creation and social control of strategic resource allocation selections.

Strategic resource allocation moves policy, design and budgeting into the nexus of politics and administration. A very important consideration guaranteeing that policy, design and budgeting are connected, is a good forum at the middle of the state to create strategic choices on the basis of budget realities. A good deciding forum is not only a lot of probably provided, fiscally sound resource allocation choices; however, it conjointly ensures that those decisions have legitimacy and are properly enforced. A good call making forum demands data to facilitate the decision-making method that improves the quality of the choice and will increase answerability for results and transparency. In most countries, this strategic deciding forum is the board or the Council of Ministers.

Since choices at this prime level of state are created on the idea of political and administrative imperatives, it becomes a tough level to constraint. Notwithstanding, rigorous institutional mechanisms at the middle of the state will facilitate and help restrain political views to the realm of the reasonable by providing technical support

and knowledge, and establishing and imposing a collection of procedures that enhance the rigor of deciding. Similar institutional arrangements are required at the arena level, likewise, to restrain strategic call making and to market effective implementation at the operational level.

Therefore, a good understanding of budgeting and effective viewpoints are critical for IBPI success. Communication among government units and departments can be done thru inter-organizational or even unofficial channels to elaborate budgeting problems and so on.

Key mechanisms that promote strategic decision making by core decision making bodies are those that:

- 1) Promote consultation and debate on policy issues;
- 2) Promote transparency and accountability;
- 3) Promote decision making that is underpinned by resource availability;
- 4) Help manage and sequence the process for policy considerations by the Cabinet.

These mechanisms enhance strategic decision making by ensuring that all budget policy options are considered before choosing the most cost-effective option. They also ensure that policies are predictable and also contestable, an important standard of effective resource management. Furthermore, they help to progress quality at the policy design phase as well as effectiveness at the implementation stage. To develop such budget consultation mechanisms, technical consultation procedures need to be institutionalized (i.e., rules have to be established and enforced) to ensure that policy proposals have been adequately debated among all stakeholders prior to submission to the Cabinet.

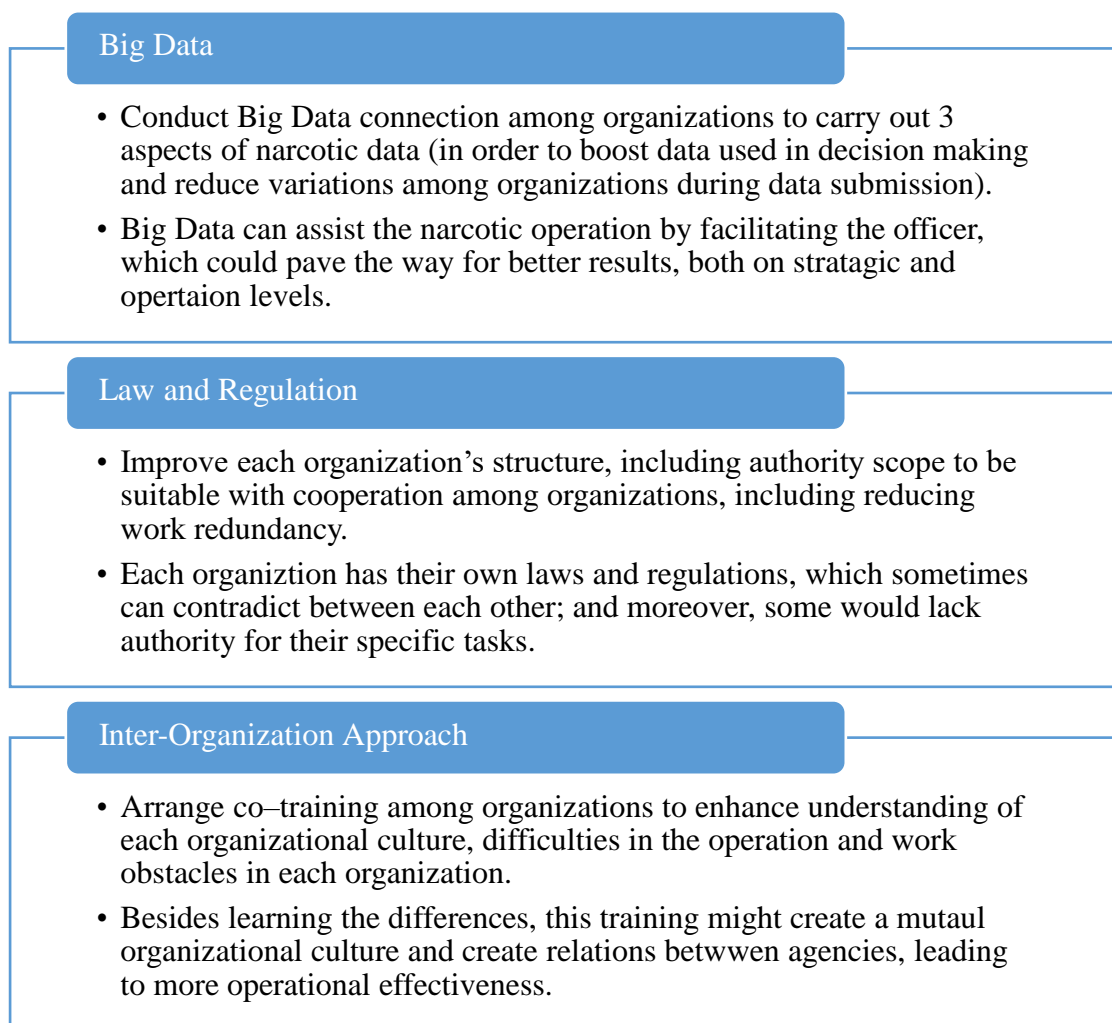


Figure 6.5 IBPI Support Plan Objectives

Standard IBPI procedures must also be in place to ensure that all affected line ministries sign off on policy proposals and are fully aware of the implications of the decisions they are supporting. The administrative unit supporting the central decision making forum (e.g., a Cabinet secretariat supporting the Cabinet) can promote horizontal budget consultations by developing strong formal and big data linkages with line ministries and other central agencies through a formal liaison officer.

The key lessons from the BOB experience in the 1900s' financial crisis are: policy change is the key to the Thai Baht being devalued; a hard, top-down aggregate budget constraint plays an essential role in maintaining budget stability; estimates are needed on the cost of government policies and programs beyond the budget year; institutional mechanisms are needed at the center of government to enable and demand

that government reprioritize and reallocate resources based on priorities; and greater predictability of funding does contribute to improved operational performance. Moreover, rather than create the outline for each aspect of an IBPI support plan, the specific activities which should be tasked to the related agencies are shown in the following:

Big Data	Modify the law and Regulation	Inter Organization - Training
<ul style="list-style-type: none"> • Create Narcotic Knowledge Center • Standardized Database and Information for each Agencies 	<ul style="list-style-type: none"> • Restructure the Agencies, aiming at Integrated Objectives rather than their own functions • Modify the Existing laws to reduce redundancies and Overlapping of Duty 	<ul style="list-style-type: none"> • Exchange Training Between Agencies • Create an Integrated Culture to reduce the barriers between each organization

Figure 6.6 IDP Support Activities

These mechanisms enhance the higher strategic cognitive process by making certain that everyone's policy choices are thought of before selecting the most efficient possibility. They additionally make sure that policies are foreseeable and additionally contestable as a vital principle of effective resource management. Moreover, they help to improve quality at the policy stage, yet are effective at the implementation stage. To develop such consultation mechanisms, technical consultation procedures ought to be institutionalized (i.e., rules need to be established and enforced) to make sure that policy proposals are adequately debated among all stakeholders before submission to the Cabinet. The said solution in coping with narcotics problems cannot be carried out without effective cooperation and clear communication among the responsible organizations. The plans mentioned in previous paragraphs shall help those organizations to integrate with each other, which will contribute to effectiveness in

planning and operations to reduce narcotics problems. Thus, all parties need to understand the need for: (a) persistence through successive annual cycles; (b) a strengthening of the financial administration and information systems; and for parallel efforts to strengthen macro budgeting and sector analysis, which IBPI could be the key for the BOB and others to implement.

6.4 Discussion

IBP is a mission which needs the cooperation of government appointments, as appointed by the Annual National Budget Act. Whether there is a rise or a decrease in the budget caused by that said cooperation it is impossible to deny the legal burden since it arises from a legal provision, which is an Act that is considered to be high in terms of the hierarchy of law and which is derived from the Thai Constitution. Hence, its legal enforcement is strong and its legal burden is undeniable.

6.4.1 Rejected 1

Goal and strategy are important factors in reaching success in any task. Hence, it is vital to understand and identify the goal and the strategy from the beginning of the task. The goal is the broad main outcome of the task that is carried out, while strategy is the nature or approach that is taken in order to meet the achievement of that goal. The clear identification of strategies and goals is the main factor to achieving success in any mission. In this operation, it is also vital to have a clear identification of strategies and goals used as a budget maneuver or tool that helps in planning, or strategic-based planning, or for planning an orientation budget. The said tool can help one to know the necessity and the connections as to whether they can achieve the national policies or strategies that were imposed.

The outcome of the study shows a rejection in this issue; however, in order to maintain effective budget management, it needs strategic planning as a technique to help in planning oriented budget management. Hence, strategic planning is vital as a tool to achieve goals concerning budget management. In other words, it is key to have organized planning and use a clear strategy in the budget planning in order to reach goals in budget management.

6.4.2 Rejected 2 Stability of Government Policy

Although stability of government policy is the key to reaching goals in many aspects, such as the rules, regulations and policies that are established by government, it can be influential to various sectors, both on the national and local levels. In the government and private sector, it has no impact on the efficiency of the operation in the integrated plan.

6.4.3 Rejected 3 Flexibility and Openness to Changing Circumstances of Collaboration

In the aspect of flexibility and openness to changing circumstances of collaboration, collaboration between organizations is an activity that is jointly cooperated on by two or more agencies with an intention to increase public value by working together rather than working solely. The collaboration of organizations contributes to benefits for all parties and the goals those organizations share in working together. Flexibility and openness in collaboration is important, as it offers evaluation of the current situation and makes the necessary adjustments and adaptations to such changing circumstances. Flexibility and openness is very important in any work, especially in collaboration, as it allows adaptation to changing circumstances in order to achieve goals shared by different agencies.

In the aspect of changes in circumstances or conditions of organizations' cooperation in the area of integration planning groups, it has no impact on the integration's efficiency, since it is a mission which needs to be handled together, according to the government's appointment under the National Budget Act. Although there may be a rise or decrease in the budget from cooperation, the legal burden cannot be denied. With private organizations, on the other hand, the status of cooperation might be different under the circumstance of difference conditions, since benefits gained might differ.

Big data is a set of complex and large data that traditional data-processing software is inadequate to deal with. Big data contains a large volume of data that is in the nature of being both structured and unstructured. However, the volume of data is not the key factor; in fact, the data that can be used in various ways by organizations is the thing that really matters, since big data can make an analysis of insights gleaned

from the information in each of various agencies, which can bring about better decisions and strategies to achieve goals.

Big data collects data from many different sources, and since it is a large volume of data, storage is required, which can be in the cloud or on the premises. The vitality of big data is not the amount of data, but how the organizations use it. It can be used to set policies, deduct costs and time, and make more precise decision making.

Big data is the allocation of data to a standardized database, since the data base concerns an integrated plan in each organization, it might be different in terms of goals and operations, making it is hard to be assessed by the same standard.

Ground staff often lacks understanding in the principles needed to follow an integration plan. The operation and budget allocation are set by a central organization causing a lack of integrated nature in work and budget allocations, which is the operation of domestic organizations. In a true integration, similar lines of work can conduct co-procurements where organizations will contribute to mass buying with lower prices, such as with appliances procurement.

The Principal Agent Theory is a theory about the agents interacting with the principals for whom they act. The point where incentives arise is when the agent's actions are intended to benefit the principal. The principal-agent theory of organizations is primarily about the notion that the performance of the public sector can make improvements depending on incentive-based contracts between different actors. It is believed that principals tend to have more achievement to reach their desired outcomes, while agents will hold clarity concerning work programs and goals. Principal Agent Theory has been considerably influential on the theory and practice of public administration and policy since it first emerged in the 1970s. This theory has been a major tool, especially in many high-income developed countries throughout the 1980s and 1990s, with mostly radical public sector reforms resulting. Its legacy has remained within many public sectors.

According to the literature on Principal Agent Theory, an integrated plan is a task that government and the Bureau of the Budget highly prioritizes in terms of budget allocation, causing an attempt in many organizations to create tasks according to an integrated plan merely to gain more budget; however, those tasks often fall short of an effective outcome toward national goals or plans. The Government and the Bureau of

the Budget, on the other hand, needs to decrease overlapping work; hence, they try to arrange for an integration plan in order to reach the highest efficiency in budget allocation.

According to the recommendation on having a specific central organization to handle integration planning, at present, there is the Office of the Narcotics Control Board (ONCB) acting as the main organization responsible for integration planning, which is directly under the deputy prime minister. The Office of the Narcotics Control Board (ONCB) was established under the Narcotics Control Act, B.E. 2519 under the supervision of the Ministry of Justice. Its vision is to be a leader in the development of drug control strategies, both at the national level and the regional level (ASEAN) with the prominent goal of making Thai society without harmful drugs. The Office of the Narcotics Control Board (ONCB) holds four missions, which are:

- 1) Set and adjust strategies to prevent and solve narcotics problems, to work continuously to be suitable under all circumstances.
- 2) Manage the integration of prevention and solutions for drug problems according to assigned strategies.
- 3) Enforce narcotics-related legal provisions and other related laws in order to accommodate narcotics problem solutions and prevention.
- 4) Follow up on the examination and surveillance of drug dispersion.

The main task of ONCB is to handle and control all existing narcotics policies; however, working to achieve the main mission together with other tasks might affect the effectiveness of integration planning, as it is not ONCB's main mission. Moreover, ONCB lacks the complete authority to cut unrelated projects.

6.5 Limitations

The analysis encountered various challenges, one was conducting an analysis that includes the very fact that government agencies commonly do not want to administer information due to financial confidentiality. The findings of the study might not be generalizable to government budgets in departmental units due to variations in social, political and economic environments in several elements of the country. Additionally, a number of the respondents could not realize the budgeting topic to be

of interest and other various perspectives. To boot, some respondents would not divulge the data, as they thought about it as competitive importance to their budget effectiveness.

Time limitation created it impractical to incorporate a lot of respondents within the study. A study of a policy should be conducted over a long span of time in order to comprehensively investigate its eventual long-term impacts. Due to time constraints, this research was limited to examining the implementation of IBPI carried out by the government sector regarding its narcotics budget. Furthermore, a literature stream concerning budgeting structure and current practices in Thailand is essential to elaborate with more detail on how IBPI can benefit the budgeting policy in other aspects.

This study was additionally restricted by different factors therein, some respondents could have been biased or dishonest in their answers. A lot of respondents are essential to extend the illustration of producing effective outcomes during this study and to permit a higher check of consistency in the data that was given. However, the main research objectives did explore for contradictions within the information given and no inconsistencies were found.

6.6 Future Study

The study has achieved its aim, which was to investigate the effect of budgets on financial performance of government agencies in Thailand, especially in the narcotics aspect. IBPI was designed to fill the gap in management on high priority government agendas for multiple ministries/agencies. IBPI aims to utilize the specialty of each government agency and for cooperation in enhancing the possibility of generating higher expected outcomes from the public sector. Many government agendas operate on a national scale, which one ministry or agency cannot deliver by itself.

Since budgeting has been raised in level to be one of the priority agendas, Thailand's government has assembled a composition committee for each budget's planning by the Deputy Prime Minister, who is the chairman who oversees the whole process of reporting to the Prime Minister. The core ministry/agency is the secretary who is appointed to be the center of all associated ministries/agencies. According to the

findings, the core ministry/agency is the most important mechanism for managing the budget. The core ministry/agency will set up the plan, strategy, objective and expected outcome, and assign them to associated ministries/agencies. The central agency, BOB, is assigned to be co-secretary regarding budget arrangements for the 12th National Social and Economic Development plan to assure a linkage to the national strategy and OPDC as the indicators of performance quality.

It has therefore opened up avenues for further research in other budgeting topics and in other areas, since it was confined to the country's economic and social stability in Thailand, which may differ in the way they use budgets to affect financial performance. Therefore, similar studies need to be conducted in other budgeting aspects in Thailand in order to assess whether the IBPI could yield similar findings regarding the effect of budgets on financial performance

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APPENDICES

APPENDIX A

NATIONAL STRATEGY 2018-2037 (SUMMARY)

Foreword

Section 65 of the Constitution of the Kingdom of Thailand stipulates that the State should develop a national strategy which to be employed as the country's goal for sustainable national development in accordance with the principle of good governance. The National Strategy shall be employed as a framework for formulating consistent and integrated plans in a congruous drive to achieve the aforementioned goal in accordance with the rules and procedures enumerated by national strategy legislation. In this context, the National Strategy Act B.E. 2560 (2017 C.E.) was drawn up and the National Strategy Committee (NSC) has been mandated to develop the draft National Strategy. The Act also specifies procedures for public participation in formulation of the National Strategy, including monitoring, inspection and evaluation, and measures for encouraging and supporting all civic sectors to comply with the National Strategy.

Abiding by the National Strategy Act B.E. 2560 (2017 C.E.), the NSC has set up six National Strategy Drafting Committees, each mandated to develop a set of key strategies in line with set criteria, methodology and requirements. The NSC also conducted public hearing meetings, as required by the law, to encourage relevant government agencies and the public to share their opinions, which were incorporated into the drafting of the National Strategy.

The National Strategy (2018-2037) is the country's first national long-term strategy developed pursuant to the Constitution. It shall be pursued to ensure that the country achieves its vision of becoming "a developed country with security, prosperity and sustainability in accordance with the Sufficiency Economy Philosophy" with the ultimate goal being all Thai people's happiness and well-being.

Current Situations and Future Direction of Thailand's Development

Currently, Thailand is facing several challenges impeding national development. In the economic context, the economic structure has yet to be fully driven by innovative technology, while productivity in both the agricultural and service sectors remains relatively low and the Thai workforces do not yet meet expected requirements and demands of the labor market. On social issues, many obstacles urgently need to be tackled in order to raise people's income levels, address poverty and income inequality, and enhance public service quality and accessibility. Regarding the country's environment and natural resource, preservation and restoration of natural resources and the environment continue to be key factors for ensuring sustainable development. With respect to administrative efficiency, the public sector's efficiency, continuity and flexibility in response to civic problems still need to be improved.

In addition, Thailand has been facing with other rapid changes, be it the aging society, disruptive technology, changes in international relations in terms of security and the national economy, more complex connectivity due to regional integration and liberalization in different sectors as well as climate change and ecological degradation. All these factors have generated challenges in terms of national security, economic, social and environmental aspects of national development. Therefore, Thailand needs a comprehensive strategic plan that will help steer national development on a proper path towards security, prosperity and sustainability.

Vision, Goals and Indicators

The country vision as stipulated in the National Strategy is “to become a developed country with security, prosperity and sustainability in accordance with the Sufficiency Economy Philosophy” with the goals aimed to maintain national security and ensure people’s welfare; boost multidimensional national competitiveness to ensure consistent economic growth; empower human capital at each and every stage of life to manifest competent and moral citizenry; broaden opportunities to improve social equality; promote environmentally-friendly growth with improved quality of life; and develop governmental administrative efficiency for greater public benefits. There are six groups of indicators which will be used to evaluate the National Strategy’s success, which are:

- 1) Well-being of Thai people and society
- 2) National competitiveness, economic growth and income distribution
- 3) Development of human capital
- 4) Social equality and equity
- 5) Sustainability of national biodiversity, environmental quality and natural resources
- 6) Government efficiency and better access to public services

National development during the Strategy’s time-frame shall focus on an appropriate balance between social and economic development and environmental stewardship. The six key strategies are: (1) national security; (2) national competitiveness enhancement; (3) human capital development and strengthening; (4) social cohesion and just society; (5) eco-friendly development and growth; and (6) public sector rebalancing and development.

Thailand's Vision (2037)

Thailand to become

“a developed country with security, prosperity and sustainability in accordance with the Sufficiency Economy Philosophy”



Security

- The nation enjoys solidarity and is resilient to both internal and external threats and changes, with established social, economic, environmental, and political security.
- National sovereignty is secured.
- People live in harmony and unity. Their lives are secured in terms of occupations, income, housing, as well as safety of life and property.
- The country has food, energy, and water resources security.

Prosperity

- The country enjoys constant economic growth and becomes a high-income economy with decreased development disparity. Citizens benefit from development on an equal basis.
- The country has considerable economic competitive capacity and develops its economy and society of the future to promote regional connectivity in terms of transport and logistics, production, trading, and investment.
- The country has all of the necessary capital for continuous development including human capital, intellectual capital, financial capital, and so forth.

Sustainability

- Development should promote constant growth in terms of people's income and quality of life in an eco-friendly manner without exploitation of natural resources.
- Production and consumption are conducted on an environmentally-friendly basis and in line with regulations recognized by the global community.
- People embrace social responsibility with a focus on sustainable public interest. All sectors uphold and follow the Sufficiency Economy Philosophy.

The National Strategy for National Security

The Strategy for National Security aims to ensure national security and public contentment, with key emphases on national environmental management to promote security, safety, independence, sovereignty, peace, and orderliness at national, social, and community scales. This includes the development of human capital, tools, technologies, and Big Data systems in order to prepare the country for all types and levels of threats and disasters, together with existing and future security challenges prevention and mitigation through integrated resolution mechanisms in collaboration with public, private, and civil sectors as well as non-governmental organizations, neighboring countries, and worldwide alliances in line with good governance principles.

Indicators include: (1) contentment of Thai people; (2) national security; (3) preparedness of all military units and security agencies as well as the readiness of public, private, and civil sectors for mitigating or preventing security problems; (4) Thailand's roles and acceptance in terms of international security in the global community; and (5) the efficiency of overall security management. The Strategy for National Security has key development guidelines as follows:

1) Maintaining domestic peace to promote an orderly and peaceful society by (1) strengthening all sectors in the context of national security awareness as well as promoting their participation in problem-solving; (2) enhancing loyalty to key national institutions; (3) reinforcing political stability in a democratic regime of government with the King as Head of State, in line with good governance principles, and with a focus on collective interest; and (4) developing mechanisms designed to effectively mitigate and prevent the roots of significant security problems.

2) Mitigating existing security problems and preventing anticipated national security related issues by (1) solving existing security problems; (2) monitoring, mitigating, and preventing anticipated national security related problems; (3) ensuring long-lasting safety and peace in the Southern border provinces; and (4) maintaining stability and health of marine and terrestrial natural resources and environment in general.

3) Strengthening national capacity to prepare for threats that might affect national security in order to enhance the capacity of the military and security agencies by (1) developing efficient nationally integrated intelligence systems; (2) preparing the country, the military, security agencies, and public and civil sectors to be ready and equipped with the capacity needed to effectively protect and maintain national sovereignty as well as to be prepared for all forms and levels of multidimensional threats; and (3) developing an efficient national threat preparedness and management system.

4) Integrating security cooperation within the ASEAN region and among foreign countries including related government and non-governmental organizations in order to promote peace, stability, and progress of the country, region, and world on a sustainable basis by (1) consolidating and maintaining international security; (2) enhancing and maintaining regional peace and stability; and (3) creating development cooperation with neighboring countries, regions, and the rest of the world, including both related government and non-governmental organizations.

5) Developing mechanisms for overall security management in order to promote efficient mechanism implementation in line with good governance principles and national legislation by (1) developing mechanisms for monitoring, notifying, preventing, and solving security problems on an overall and concrete basis; (2) conducting security management to facilitate national development in other dimensions; and (3) developing mechanisms and organizations to implement the national security strategy.

The National Strategy for National Competitiveness Enhancement

The National Strategy for National Competitiveness Enhancement aims to enhance national multidimensional capacity based on three concepts which are (1) “Learning from the Past for Further Development” with a focus on the roots of the national economy; local identity, culture, tradition, and lifestyle; maintaining natural resource diversity; and pursuing multidimensional comparative advantages. The knowledge will later be integrated with available technologies and innovations to accommodate global socioeconomic contexts in the 21st century; (2) “Adjusting the Present” to prepare for the future through national infrastructure development in terms of transport and logistics, science, technology, and advanced digital systems as well as environmental adjustment to facilitate future industrial and service developments; and (3) “Creating New Future Values” to enhance entrepreneurs’ capacity; develop younger generations; adjust business models to meet fast changing market demand; implement strategies to accommodate anticipated future contexts with a focus on learning from the past and adjusting the present for further development; and leveraging governmental support to help generate income and employment, expand trading and investment opportunities in global markets, enhance income and general well-being of Thai people, increase the number of middle-class citizens, and reduce inequality.

Indicators include: (1) national income, expansion of the gross domestic product (GDP), and income distribution; (2) national productivity, covering production and labor factors; (3) research and development (R&D) investment; and (4) national competitiveness. The National Strategy for National Competitiveness Enhancement has key development guidelines as follows:

1) Exploring value-added agriculture in order to upgrade productivity in terms of quantity and value as well as product diversity within the following sectors including, (1) farming that reflects local identity; (2) safe farming; (3) biological farming; (4) processed agricultural products; and (5) smart farming.

2) Developing future industries and services in order to create future industries and services that can be key growth engines designed to push Thailand to become a developed country through advanced innovations and technologies through

the following industries including, (1) biological industry; (2) integrated medical industry

The National Strategy for National Competitiveness Enhancement and service; (3) digital, data, and artificial intelligence industry and service; (4) transport and logistics industry and service; and (5) national security industry.

3) Creating diverse tourism. The focus is to preserve the nations' world-class tourist attractions and increase the proportion of high-quality tourists in the following tourism sectors, (1) creative and cultural tourism; (2) business tourism; (3) health, beauty and traditional Thai medicine tourism; (4) maritime tourism; and (5) regional cross-border tourism.

4) Developing high quality infrastructure to connect Thailand with the world including transport networks, regional development, technology as well as economic infrastructures covering the following; (1) creating seamless transport networks; (2) developing more special economic zones (SEZs); (3) expanding economic areas and cities; (4) developing modern technological infrastructure; and (5) maintaining and enhancing macroeconomic stability.

5) Developing a modern entrepreneurship-based economy in order to promote and encourage modern entrepreneurs who are equipped with required skills, entrepreneurial spirit, the sense of competitiveness, and clear identity by (1) developing "smart" entrepreneurs; (2) facilitating easier access to financial services and assistance; (3) improving access to markets; (4) facilitating information access; and (5) adjusting roles in and facilitating access to public services.

The Strategy for Human Capital Development and Strengthening

The Strategy for Human Capital Development and Strengthening aims to develop Thai people of all ages in a multidimensional manner to become good, skillful, and quality citizens. The scope covers promotion of physical, mental and intellectual qualities, adequate multidimensional developments, sustainable welfare at all stages of life, promoting public mindedness, and generating social responsibility. Citizens are also expected to be frugal, generous, disciplined, and ethical, equipped with logical thinking and 21st century skills, communication skills in English and a third language. Furthermore, citizens are also encouraged to preserve local languages while encouraged to acquire lifelong learning and development habits. Developments following this Strategy will help promote modern innovators, thinkers, entrepreneurs, farmers, and so forth based on personal skills and abilities.

Indicators include: (1) development of Thai people's quality of life and wellbeing; (2) study and lifelong learning results; and (3) development of Thai society and families. The Strategy for Human Capital Development and Strengthening has key development guidelines as follows:

1) Transforming social values and culture of Thai people by encouraging all social institutions to unite in instilling desirable values and culture through (1) embedding values and culture through responsible family management; (2) integrating honesty, discipline, as well as moral and ethical standards through educational dissemination in schools; (3) strengthening religious institutions; (4) fostering values and culture by communities; (5) promoting positive values and culture by the business sector; (6) creating values and culture via the mass media; and (7) promoting voluntary spirit and social responsibility among Thai people.

2) Promoting human development at all stages of life including (1) pregnancy and early childhood periods with a focus on creating pregnancy preparedness among parents; (2) school age or adolescence with a focus on developing moral standards, discipline, and learning skills in line with 21st century needs; (3) working age population with a focus on enhancing skills and capacities to meet existing market demands; and (4) elderly people with a focus on encouraging elderly people to become a part of key driving force for national growth.

3) Improving learning processes to accommodate changes in the 21st century by encouraging lifelong learning and development of learning skills, which can be achieved by (1) adjusting learning systems to promote necessary skill development; (2) developing modern teachers; (3) improving the efficiency of educational management systems at all levels; (4) developing lifelong learning systems; (5) creating national awareness of roles, responsibilities, and Thailand's position in Southeast Asia and the global community; (6) using digital platforms for enhancing learning system bases; and (7) creating educational systems to promote academic excellence at international levels.

4) Realizing multiple intelligences by (1) developing and promoting multiple intelligences from a young age via improved educational systems and the mass media; (2) creating career paths, working environments, and support systems that promote special skills through various effective mechanisms; and (3) attracting foreign experts and Thai citizens living abroad to assist in technology and innovation development required for the country development.

5) Enhancing well-being among Thai people, including physical and mental health, wisdom, and social aspects by (1) promoting well-being related knowledge among Thai people; (2) preventing and controlling health risk factors; (3) creating an environment that promotes good health; (4) developing modern public health service systems; and (5) encouraging communities to promote good health in all areas.

6) Promoting conditions that encourage human capacity development including (1) enhancing well-being and happiness of Thai families; (2) promoting involvement of public and private sectors, local administrative organizations, families, and communities in human capital development; (3) embedding and developing skills outside of the school; and (4) developing database systems to facilitate human capital development.

7) Strengthen capacity of sports to generate social values and promote national development by (1) promoting exercise and basic sports as lifestyles; (2) encouraging the public to participate in physical and recreational activities; (3) promoting sports as a career option; and (4) developing sporting and recreational personnel to accommodate growth in the sport industry.

The Strategy for Social Cohesion and Just Society

The Strategy for Social Cohesion and Just Society aims to develop cooperation between private sector, general public, and local communities for strategy implementation. Public involvement will be encouraged as a mechanism to enable cooperation for society in general. This will promote decentralization of power and responsibilities among local administrative organizations, strengthen independent management of local communities, and create viable and healthy economic and social surroundings aimed for quality citizens, who can contribute to families, communities, and society in perpetuity. Furthermore, the government is committed to ensuring equitable and inclusive access to quality public services and welfare practices.

Indicators include: (1) eradication of inequality in terms of income and public service access; (2) progress of human capital development; (3) progress in provincial development towards creating socioeconomic and technological hubs; and (4) quality of life among elderly people. The Strategy for Social Cohesion and Just Society has key development guidelines as follows:

1) Mitigating inequality and creating multidimensional justice by (1) adjusting local economic structures; (2) reforming tax systems and advocating for consumer protection; (3) distributing land ownership and resource access on an equitable basis; (4) increasing productivity and promoting a skilled, quality, and creative Thai labor force operating in safe working environments; (5) creating comprehensive social insurance schemes that are adequate for everyone regardless of gender and age; (6) conducting targeting social investment to provide assistance to poor and underprivileged people; (7) promoting equitable access to public health services and education, specifically for low-income and underprivileged people; and (8) developing equitable and inclusive access to due process of law.

2) Expanding economic, social and technological hubs to other parts of the country by (1) developing economic, social and technological hubs in other regions of the country; (2) formulating regional economic and social development plans covering all required aspects of development; (3) designing urban planning systems to promote safety and quality of life for society as well as accommodating an aging society and urban development trends; (4) adjusting public administrative structures

and revising legal regulations to set up required foundation for regional The Strategy for Social Cohesion and Just Society level administrative systems and mechanisms; (5) promoting area-based development on knowledge, technology, and innovations; and (6) developing skilled local labor forces.

3) Promoting social empowerment by (1) building a strong, sharing, and ethical society and promoting consolidation of all sectors; (2) preparing foundations required for a quality aging society; (3) promoting collaboration among public, private, and civil sectors as well as academe; (4) promoting gender equality and women's roles in social development; (5) promoting development based on social and cultural capital; and (6) promoting development of information technology and creative media to accommodate a digital society.

4) Empowering local community capacity for development, self-reliance, and independent management by (1) promoting behavioral improvement at a household level for a more effective and efficient life planning in terms of health, family, finance and work; (2) empowering community capacity for self-reliance; (3) developing cooperation among related sectors to achieve community of democracy; and (4) generating wisdom and knowledge as immunity against changes within communities.

The Strategy for Eco-Friendly Development and Growth

The Strategy for Eco-Friendly Development and Growth aims to achieve sustainable development in terms of manifesting a healthy society, economy, and environment; implementing good governance, and integrated partnerships at both national and international levels. Strategic and operational plans will be area-based design and implementation, with the promotion of all related sectors' direct involvement to the extent possible. Implementation will target the promotion of mutual growth in terms of the economy, environment, and quality of life. The focus is to create balance among these three factors to promote sustainability for future generations.

Indicators include: (1) eco-friendly green areas; (2) rehabilitation of degraded environments and natural resources; (3) eco-friendly growth; and (4) reduction of greenhouse gas (GHG) emissions and creation of a bio-based economy value. The Strategy for Eco-Friendly Development and Growth has key development guidelines as follows:

1) Promoting green growth and sustainable development by (1) increasing bio-based economy value in line with the National Strategy for National Competitiveness Enhancement; (2) conserving and rehabilitating biological diversity; (3) conserving and rehabilitating rivers, canals, and other natural water sources nationwide; (4) maintaining and expanding eco-friendly green areas; and (5) promoting sustainable consumption and production.

2) Promoting sustainable maritime based economy growth by increasing value of a maritime bio-based economy; (2) improving, rehabilitating, and developing the entire marine and coastal resource ecosystem; (3) rehabilitating beaches, protecting and improving the entire coastal resource ecosystem, and setting out an integrated coastal management policy; and (4) developing and increasing eco-friendly marine activities.

3) Promoting sustainable climate-friendly based society growth by (1) mitigating GHG emissions; (2) adapting to prevent and reduce losses and damages caused by natural disasters and impacts of climate change; (3) focusing on investment in public and private sectors' climate-friendly infrastructure development; and (4)

developing preparedness and response systems for emerging and re-emerging infectious diseases caused by climate change. The Strategy for Eco-Friendly Development and Growth

4) Developing urban, rural, agricultural, and industrial areas with a key focus on a sustainable growth by (1) establishing ecological landscape plans to promote urban, rural, agricultural, industrial, and conservation area development on an integrated basis in harmony with area capacity and suitability; (2) developing urban, rural, as well as agricultural and industrial areas in line with the ecological landscape plans; (3) eliminating pollution and agricultural chemicals that damage the environment in line with international standards; (4) sustainably conserving, rehabilitating, and developing natural resources, architectural heritage, art and culture, as well as local identity and lifestyles; (5) developing networks of urban and community development institutions and volunteers through a mechanism of local sectors' involvement and participation; and (6) strengthening public health and environmental health systems as well as enhancing capacity for addressing preventive measures of emerging and re-emerging infectious diseases.

5) Creating eco-friendly water, energy, and agricultural security by (1) developing the entire river basin management system to ensure national water security; (2) enhancing productivity of an entire water system to promote water-use efficiency and generate value added for water consumption up to par with international standards; (3) creating national energy security and promoting eco-friendly energy usage; (4) enhancing energy efficiency through energy intensity reduction; and (5) developing agricultural and food security in terms of quantity, quality, pricing, and access at both national and community levels.

6) Improving the paradigm for determining the country's future by (1) promoting desirable environmental friendly characteristics and behaviors that positively contribute to the environment and quality of life of Thai people; (2) developing tools, justice mechanisms and systems, and environmental welfare; (3) establishing institutional structures to manage significant issues concerning natural resources and environmental management; and (4) initiating projects that can improve a development paradigm in order to determine the country's future in terms of natural resource, environmental, and cultural sustainability based on public participation and good governance.

The Strategy for Public Sector Rebalancing and Development

The Strategy for Public Sector Rebalancing and Development aims to reform and enhance the country's governmental administrative services based on the principle of "government of the people for the people and the common good of the nation and the happiness of the public at large". To achieve such goal, the size of government agencies should be appropriate in accordance with its roles and missions with the roles of regulatory agencies clearly defined and distinguished from those of operating agencies. Furthermore, all government agencies need to be achievement oriented to operate with good governance and commit to the general public benefit at large while being fully prepared to adapt to any changes. Big data and digital technologies should be judiciously adopted to help improve the public sector's performance in accord with international standards. Government agencies should be open to intersectoral-operations and participation from all relevant parties to ensure quick and transparent responses to public needs. All sectors in the society should value honesty, integrity and frugality while resisting all kinds of malfeasance. Moreover, laws should be up to date, precise and clear and should only be enacted with necessity in line with international legal practices to minimize disparity and accommodate the country's development. The country's justice system should be fair and non-discriminating with the judicial process works correctly according to the rule of law.

The indicators of this strategy are: (1) people's satisfaction with public services provided by the public sector; (2) public service efficiency; (3) levels of transparency and corruption; and (4) equal treatment in the judicial process. The Strategy for Governmental Administrative Improvement and Reform has key development guidelines as follows:

- 1) Having a people centric public sector that effectively delivers responsive, fast, and convenient services with transparency by (1) providing international standard public services; and (2) having a well-connected and integrated public sector that can provide public services through digital technologies.

- 2) Having an integratedly managed public sector that adheres to the National Strategy as an end goal and can effectively support and promote developments at all

levels, issues, missions, and areas by (1) endorsing the National Strategy as the country's key mechanism to national development; (2) having national monetary and financial systems designed to effectively support the implementation of The Strategy for Public Sector Rebalancing and Development the National Strategy; and (3) designing a national monitoring and evaluation systems designed to effectively evaluate the National Strategy's achievements at all levels.

3) Downsizing of the public sector in accordance to missions and tasks and promoting public participation in national development by (1) adjusting government agencies to have appropriate sizes suitable for missions and tasks; (2) inclusively involving all sectors in national development; and (3) promoting decentralization and supporting of local administration organizations to become government agencies operating with high competency and good governance.

4) Modernizing the public sector by (1) ensuring that the public sector can adequately operate with flexibility in accord with the nation's development contexts and (2) developing and adjusting procedures and practices of all government agencies to be up to date and responsive to changes.

5) Ensuring that government employees and staff exhibit morality, ethics, virtues, dedication and professionalism by (1) having flexible and ethical human resource management within the public sector; and (2) having all personnel employed in the public sector to adhere to the value of being the ethical government of the people and ensuring that all the personnel have clear career path development.

6) Ensuring that the public sector operates with transparency with no corruption and malfeasance by (1) involving all parties to participate in corruption and malfeasance prevention of the public sector; (2) having all personnel of the public sector to uphold morality, ethics, and honesty as foundation in their day-to-day jobs; (3) ensuring that the entire process of corruption suppression is effective, strict, fair, and traceable; and (4) having an integrated corruption prevention and suppression management.

7) Ensuring that the country has laws only to the extent of necessity and in accordance with existing national contexts by (1) repealing or revising laws that are no longer necessary or unsuitable to existing circumstances; (2) having laws only to

the extent of necessity and (3) ensuring effective, just and fair law enforcement at all levels.

8) Ensuring that the country's judicial administration respects human rights and treats all people equitably by (1) having judicial personnel and agencies that respect and uphold democratic principles and human dignity; (2) ensuring that all judicial agencies have proactive roles in all stages of fact finding; (3) ensuring that all judicial administration agencies - civil, criminal and administrative - have mutual goals and strategies; (4) promoting alternative justice systems, community justice systems, and participatory judicial administration; and (5) developing alternative punishment measures to replace outdated penalties.

APPENDIX B

THE TWELFTH NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT PLAN (2017-2021)

1. Complementary Plans

The relevant authorities have supporting plans which cover the periods of the 11th Plan and the 12th Plan as follows:

1) Strategic plans of the government sector, such as: (1) National Public Relations Policy and Plan No.5, (2016-2021); (2) Ministry of Foreign Affairs 4-Year Strategic Plan, 2015- 2018; (3) Office of the Royal Development Strategy No. 4, (2014-2017); (4) Thailand Public Sector Development Strategy, (2013-2018).

2) Political Development Plan No.2 (2017-2021).

3) Southern Border Provinces Problem-Solving and Development Action Plan, (2015-2017).

4) The solution to terrorism and transnational threats, such as: (1) National Strategy for Combating Money Laundering and the Financing Of Terrorism, 2016-2020; (2) Draft National Security Strategy to Prevent and Tackle Global Terrorism, Year; (3) National Security Strategy to Prevent and Tackle Transnational Threats, 2015-2021; (4) Strategic Plan to Prevent and Resolve Drug Problems, 2015-2019; (5) Action Plan for Publicity Campaign to Prevent and Resolve Drug Problems, 2015–2019.

5) Health security plans, such as: (1) Thailand’s National Strategic Plan for Emerging Infectious Disease Preparedness, Prevention and Response, 2013-2016; (2) Framework for the Development of the Emergency Operations Center, Emergency Incident Command System and the Public Health, Department of Disease Control, 2016-2021.

6) Cyber security plans, such as: (1) Policy Framework for National Cyber Security, 2012-2016; (2) Ministry of Defense Master Plan for Information Technology and Communications No.3, 2014–2018; (3) Research Strategy and National Development Plan Related to Cyber Security No.1, 2013–2017.

7) Maritime security and national maritime interests, including: (1) National Maritime Security Plan, 2015–2021; (2) Measures to Promote Investment in the Merchant Navy; (3) Environmental Quality Management Plan, 2017–2012; (4) Master Plan for Integrated Management of Biodiversity; and (5) Master Plan for the 2 nd Phase of Thailand Fishery Management, 5 years (2014–2018).

8) Disaster prevention and mitigation, namely: (1) National Disaster Prevention and Mitigation Plan, 2015; (2) National Preparedness Strategy, 2014–2018; (3) Ministry of Defense National Defense Strategy, 2017-2036; (4) Internal Security Operations Command Strategy, 2017–2021.

2. Flagship Projects

1) Enhance the Stability of the Core National Institutions:

(1) Main Content: enhancing security and preventing the abuse of the core national institutions is an important and urgent task that needs immediate action. The aim is to uphold the core institutions by creating awareness among the people of the need to cherish and retain the institutions of the nation, religion and monarchy to contribute to strengthening the unity of the p 157 enhancing the peaceful coexistence of different opinions and ideologies on the basis of a democratic regime with the King as head of state.

(2) Key implementing agencies: Ministry of Defense, Office of the National Security Council, and every relevant agency.

(3) Operational Timeframe: 5 years (2016–2021).

2) Prevent and Resolve the Unrest in the Southern Border Provinces:

(1) Main Content: tackling the unrest in the southern border provinces is the duty of all government agencies and the Thai people, both of which must help with brainstorming to seek a peaceful solution to the conflict. This can be achieved by

determining all dimensions of the basis of the conflict in order to find ways to terminate the violence and resolve the issues in a peaceful way. This will involve eliminating every condition that contributes to the conflict, avoiding giving the impression that the local people are unfairly treated and uncared for by the state when compared to the people in the rest of the country, and making the people in the southern border provinces feel proud that they can live a normal life peacefully under their own identity without pressure or assimilation, and are given opportunities to contribute to economic and social development in the area.

(2) Key Implementing Agencies: Ministry of Defense, Ministry of Interior, Office of the National Security Council, and every relevant agency.

(3) Operational Timeframe: 5 years (2016–2021).

3) Prevent and Resolve Terrorism and Transnational Crimes:

(1) Main Content: create cooperation within and between countries at all levels. Improve legislation and law enforcement to address the issues by developing the intelligence system and the mechanisms for emergency response, promoting human resource development and the modernization and development of equipment, together with the exchange of information with allied countries to support the efficient and effective combatting of terrorism and transnational threats such as drugs and human trafficking.

(2) Key Implementing Agencies: Office of the National Security Council, Ministry of Defense, Ministry of Foreign Affairs, Ministry of Interior, Ministry of Justice, Ministry of Digital Economy and Society, Royal Thai Police, National Intelligence Agency, Anti-Money Laundering Office, Office of the Narcotics Control Board. 158

(3) Operational Timeframe: 5 years (2016–2021).

4) Prevent and Tackle Epidemics and Other Public Health Emergencies:

(1) Main Content: be ready to track, analyze and assess likely scenarios in order to be prepared to tackle and take various actions to stop emergency situations, or to recover from severe epidemics and other public health emergencies in order to return to normal within the shortest possible time, most efficiently and effectively.

This applies particularly to the prevention of disease outbreaks and widespread health hazards, avoiding damage to the life of the people, the economy and the society, and includes post-crisis rehabilitation to return to normalcy.

(2) Key Implementing Agencies: Ministry of Public Health, Ministry of Interior, National Vaccine Institute.

(3) Operational Timeframe: 5 years (2016–2021).

5) Prevent and Resolve Information Technology and Cyber Security Threats:

(1) Main Content: the degree of intensity and complexity of cyber security threats and attacks has increased. Damage caused by cybercrime and cyber attacks will have serious consequences. This problem needs to be addressed, with a focus on preventive measures against cyber threats in line with the changing environment, particularly the tightening of measures and legislation related to cyber security from the national level to the individual level.

(2) Key Implementing Agencies: Ministry of Information and Communication Technology, Ministry of Defense, Royal Thai Police.

(3) Operational Timeframe: 5 years (2016–2021).

6) Development of Systems and Mechanisms to Manage Maritime Security and National Maritime Interests:

(1) Main Content: the aim is to enhance maritime security and develop a good maritime management system by troubleshooting controversies over maritime resources; maintaining the security of the national maritime resources; strengthening environmental protection, preservation of national maritime interests and prevention of maritime offenses and maritime crises; developing practical mechanisms to assist maritime accidents, maritime rescue and disaster relief efficiently and effectively; and revising related laws and regulations to be up-to-date and cosmopolitan.

(2) Key Implementing Agencies: Office of the National Security Council, Royal Thai Navy, Royal Thai Police.

(3) Operational Timeframe: 5 years (2016–2021)

7) Development of a Maritime Disaster Prevention and Mitigation System,
Both on Land and at Sea:

(1) Main Content: develop a National Preparedness System, including associated infrastructure development, to prevent the loss of land and to handle natural disasters, both on land and at sea, by formulating policies, strategies, plans, operations plans and immediate action plans to be ready to deal with emergency situations from normality, during a crisis, and post-crisis by joint and combined operations involving all parties, to be performed efficiently and effectively in a timely manner.

(2) Key Implementing Agencies: Office of the National Security Council, Ministry of Defense, Ministry of Interior, Internal Security Operations Command.

(3) Operational Timeframe: 5 years (2016–2021).

Part 4

Development Strategies

Strategy 6 Strategy for Public Administration, Corruption Prevention, and Good Governance in Thai Society

The inefficiency of the public management system has been a significant obstacle to national development. Problems in public management include failure to achieve stated objectives, public services that fall below international standards, ineffectiveness of law enforcement, a lack of transparency in local public services and management, inadequate public participation in budget spending, as well as inequality and unfairness in the process and systems of justice. Furthermore, a lack of good governance in Thai society has made corruption a critical national problem. The next five years will be a significant period for the acceleration of public management reforms in order to support the successful implementation of the Twelfth Plan. The public management system should become transparent, efficient, and accountable, and the monitoring of its effectiveness should involve popular participation. Public management tasks should be decentralized, as appropriate, among central, provincial and local administrations. With reform to the public management system, the foundation will be laid to achieve the goals of the Strategic Plan by 2036.

1. Objectives

- 1) To reduce the size of the public sector and promote good management that achieves international standards.
- 2) To support Local Administration Organizations (LAOs) to achieve effectiveness, efficiency and transparency.
- 3) To alleviate the problems of national corruption and misconduct.
- 4) To improve legal processes and the justice system to be able to respond promptly and fairly to citizens' needs and demands.

2. Targets and Indicators

Target 1: Reduce expenditure on personnel and increase the efficiency of public management and services as well as the country's business competency:

Indicator 1.1: Achieving 2nd place among ASEAN countries in terms of public performance according to the International Institute for Management Development's (IMD) World Competitiveness Ranking by the end of the twelfth national development plan period.

Indicator 1.2: Achieving 2nd place among ASEAN countries in the World Bank's Ease of Doing Business ranking by the end of the twelfth national development plan period.

Indicator 1.3 A decrease in expenditure on personnel as a proportion of annual public spending.

Target 2: Enhance the efficiency of LAO governance:

Indicator 2.1: An increase in the proportion of LAOs gaining awards for good governance.

Indicator 2.2 A reduction in the number of complaints and LAO-related lawsuits.

Target 3: Improve the country's scores in the Corruption Perception Index (CPI)

Indicator: Thailand's Corruption Perception Index score reaches 50 percent or higher by the end of the twelfth national economic and social development plan period.

Target 4: Reduce the number of wrongful convictions and unjustified punishments:

Indicator: A reduction in the number of lawsuits where the state has to pay indemnities to wrongfully convicted individuals.

3. Development Guidelines

1) Restructure public organizations' and employees' roles, responsibilities and quality of human resources to become more efficient, transparent, modern, flexible, responsible, diverse and better qualified. Downsize public administration while ensuring that the size of LAOs is appropriate to their field of responsibility. To be achieved by the following measures:

(1) Clearly define missions and areas of authority between central, regional and local public administrations to reduce task redundancy. The central and regional agencies are responsible for policy making, national planning, setting guidelines and measures, giving approvals and permits, promoting R&D, providing academic services and public services covering various administrative areas, with clear guidelines and procedures. Local public administrations are assigned to provide basic public services, the quality of which depends on the capabilities and readiness of LAOs to solve local problems and respond to local needs through public participatory approaches and public monitoring at the community level, as well as procuring the private sector to provide public services.

(2) Improving public policy management to be more integrated, and to be able to support efficiently the production process of goods and services in accordance with the long-term Strategic Plan. This can be achieved by using public mechanisms to support linkages from research to meet consumers' needs, and providing facilitating funds and budgets for entrepreneurs. Moreover, rules and regulations that facilitate business proceedings should also be set, and mechanisms for strengthening coordination between the public sector, private sector, people and civil society (the "Pra-Cha-Rath" mechanism, which is the platform for combining the power of the public sector, private sector, and citizens) should be promoted.

(3) Establishing concepts and guidelines for the dissolution or downsizing of central public organizations, located in regional areas, leaving only those fulfilling special functions that cannot be substituted by or transferred to area-based organizations such as: regional public sector organizations, LAOs, the private sector, Non-Governmental Organizations (NGOs), Social Enterprises (SEs), civil society, communities, and citizens. Furthermore, public sector human resources and budgets

should, as appropriate, be redistributed and transferred, in accordance with these transferred tasks, by means of laws and regulations related to public administration, which should include all categories of the public administration system. Additionally, appropriate guidelines should be defined to facilitate the rapid transfer of public manpower from central to local administration organizations.

(4) Developing human resources and efficiently reforming public manpower management systems as follows:

a) Allowing individuals from outside the government sector to be appointed as heads of organizations, exclusively for high-priority organizations that are significant for the country's development.

b) Recruiting into the public sector, equally and fairly, people from the new generations with high potential and competencies.

c) Introducing information technology to replace public manpower, together with studying the possibility of systematically employing retired employees, as appropriate to prevailing fiscal situations.

d) Adjusting the remuneration systems and benefits for civil servants and public officers from governmental organizations, state-owned organizations, and independent public organizations, according to their job descriptions, expertise, competencies, job complexities and available market mechanisms.

e) Establishing measures and methods for public official promotion and transfer, and considerations of remunerations and penalties, whilst ensuring that the system is fair, transparent and accountable, politically neutral, and in compliance with competency and merit systems.

f) Training public officials at all levels to gain knowledge and abilities in compliance with the operations of a digital economy, particularly in the field of leadership building. Moreover, the development curricula for public executives should be improved to ensure value for money, efficiency and the highest public benefit. Also, officers' capabilities in all aspects should be assessed and evaluated.

g) Seriously establishing performance evaluation systems for government officers who hold high positions in order to assure acceptable outcomes for the public.

(5) Initiating strategies for the long-term development of state enterprises that are clear and applicable, together with reviewing their missions' compliance with the prevailing situation and needs of each state enterprise, according to its functional objectives.

a) Merging acquiring, transferring or restructuring SOEs to reduce redundancy in cases where the private sector or other government agencies already provide the same service more efficiently.

b) Restructuring state enterprises in order that they perform their missions efficiently. Transparent strategic management systems should also be introduced.

c) Enhancing the regulatory and supervisory framework for SOEs to bring them into line with the industry situations in which they are placed, and clearly separating the roles of policy-makers, regulators and operators in order to underpin transparency and fairness.

2) Improve the budget process and establish public fiscal and monetary monitoring and evaluation systems to enhance the efficiency of budget allocation and spending, in order to strengthen its timeliness, equitability and contribution to the reduction of inequality. Furthermore, information access for the public and private sectors should be enhanced, and there should be more transparency in the monitoring of operations budgets and fiscal procedures. This will be achieved by:

(1) Revising the Budget Act. B.E. 2502 (1959) to promote integrated budget allocation and area-based budgeting. Enabling provincial clusters, provinces and LAOs to receive budget allocations. Encouraging civil society to participate in making decisions concerning the budget process, including proposing projects within Community Development Plans - which are related to LAO Plans and Provincial Development Plans - and monitoring the spending of area-based budgets. Related laws and regulations - for example the State Administration Act, B.E. 2534 (1991) and the Royal Decree of Province and Provincial Cluster Integrated Administration, B.E. 2551 (2008) - should also be amended.

(2) Reforming area-based development planning processes to integrate partners and stakeholders from the community level to the provincial level by:

a) Village Level:

Formulating community plans that apply data and public participatory approaches, acquired from community brainstorming meetings. Also, drafting project proposals that respond to community needs.

b) Tambon Level (Sub-district level):

Arranging community brainstorming at the Tambon level, facilitated by village community committees and Tambon community organization councils, as a consulting mechanism for all levels from the village level to the Tambon level, so Tambon development plans can be formulated and proposals for budget allocations from local councils can be prepared at the Tambon level.

c) Amphur Level (District level):

Integrating Tambon development plans cumulatively in order to comply with the principle of the participatory formulation of plans and budgets.

d) Provincial Level:

Developing provincial development plans that accurately and honestly declare situations and problems, and respond to people's needs. Furthermore, information should be transparent and accountable. Popular participation should be widely promoted in the planning process. In addition, there should be full integration of project proposals which incorporate the needs and demands of the people which LAOs at the lower level cannot handle (beyond their field of responsibility), project proposals from local government agencies, and local provincial strategies, in line with the National Strategy and government policy. Also, in terms of financing, budgets must be clearly defined whether derived from a Ministry or from area-based budgeting.

(3) Setting up structures and prioritizing programs, stated in an annual spending budgets, that are consistent with the 20-year National Strategy (2017-2036), the Twelfth National Economic and Social Development Plan 2017-2021, the National Security Policy 2015-2021, and government policy. Moreover, in proposing an Annual Budget Spending Act, sources of income, estimated revenues, expected outcomes and benefits from the annual budget, and consistency with the National Strategy and other development plans should all be openly stated.

(4) Improving monitoring and evaluation systems in order to measure accurately development outcomes, efficiency, effectiveness, and the impact of public organizations operations and budget spending. The evaluation results can be used as an important source of information in determining the following year's budget allocations. Public participation in auditing the budget process should also be promoted. Additionally, evaluation reports and information should be publicly declared with a designated timeframe.

3) Enhance efficiency and strengthen public services to achieve international standards, so that the people and the private sector receive quality, standardized and convenient services exactly according to their needs. This will be achieved by

(1) Remodelling public governance in order to leverage the participation of the public sector, private sector, citizens, and civil society, according to the principle of "PraCha-Rath".

(2) Encouraging competitiveness among public-public, public-private, civil society and community organizations in providing public services, for which rules, regulations and incentives are clearly stated. The quality, standards, and readiness of public service providers should be regulated.

(3) Providing various communication processes and channels to raise public awareness and understanding of the government's future activities and current performance, as well as listening to public opinions and recommendations from all sectors.

(4) Improving organizational management by establishing an online IT management system that tracks operations and progress, provides information crucial for administration, and enables stakeholders to access and participate immediately in public activities when needed. Additionally, publications to promote desirable behavior should be widely disseminated to increase acceptance of government initiatives and actions.

(5) Systematically modifying typical forms of public services to accommodate digital services systems. Reducing work processes to comply with modern lifestyles and clients' needs by putting electronic documentation into use instead of paperwork, facilitating public one-stop services which people can access by websites, mobile communication applications and through kiosks. Also, the service

fees that are collected from citizens and business organizations should be set at appropriate levels. People should easily be able to monitor and follow up public service performance.

(6) Developing a digital platform to support the Government Information Network (GIN). Linking the work of public agencies and integrating cross-agency information communication through digital systems, which can efficiently support co-working and information-sharing across public agencies.

(7) Disclosing useful information such as statistical data and situation assessment data in a digital format, which can be easily accessed by both private and public stakeholders for further economic and social usage and innovation development.

4) Improve the management efficiency of Local Administration Organizations (LAOs), so people are able to receive efficient services that are accessible to all, and stakeholders have a chance to participate in developments. Additionally, LAOs are to become more flexible, more financially independent in the long-run, depend less on public subsidy budgets, as well as be able to provide standardized basic public services efficiently by:

(1) Identifying clear procedures for decentralization and mission transfer to provincial administrations, especially in the fields of education and public health. Furthermore, the accurate and clear evaluation of local potential by independent assessors' offices should be encouraged. Moreover, mechanisms and controlling measures for decentralization should be clearly established.

(2) Supporting LAOs to develop various public services which directly respond to the public's requirements, using participatory approaches among LAOs, the private sector and civil society.

(3) Standardizing recruitment and appointment processes for LAO officers, having a verification system for candidates, and developing the potential and knowledge of local executives, members of local councils and local staff in regard to understanding and realizing their roles and responsibilities as executives, politicians and practitioners of good governance. Additionally, LAOs should be openly and transparently monitored. Processes of local development and plan formulation that

allow popular participation should also be emphasized. Furthermore, the capability to mobilize additional sources of income besides tax systems should also be supported.

(4) Promoting decentralization by allowing LAOs the flexibility to formulate policies, manage human resources, undertake financial, fiscal and budgeting management, and encouraging LAOs to partner with other stakeholders in accordance with good governance frameworks. Also, civil society and communities should actively take part in monitoring the work of LAOs.

(5) Improving local revenue management systems and subsidiaries by:

a) Restructuring the revenues of central and local governments, as well as the tax structures of LAOs, by providing subsidies in accordance with their roles and missions, together with considering, as appropriate, the decentralization of tax collection to LAOs, which can be done by taking into account fiscal position gaps in different LAOs, government policy, or the fiscal capacity of LAOs to improve local communities.

b) Revising laws and measures to increase LAOs' non-tax revenues, which includes fees or revenue from businesses, social enterprises, and area-based development, or other non-tax revenues which can be obtained in the future.

c) Strengthening provincial financial and fiscal management and providing control and monitoring measures for revenue collection by LAOs, both tax and non-tax. Additionally, project assessment guidelines, decision-making criteria for investment project proposals and loan applications, and feasibility analysis of LAO indebtedness capacity should all be clearly established. Data systems concerning LAOs' expenditures and debts should also be developed to be accurate and up-to-date. Effective LAO monitoring systems in budget spending should be designed, and information disclosure channels for the public's easy access should be promoted.

BIOGRAPHY

NAME

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ACADEMIC BACKGROUND

Bachelor's Degree with a major in Business Computer from Vongchavalitkul University, Nakhon Ratchasima Province, Thailand in 1995 and a Master's Degree in Economics (Applied Economics) from Western Michigan University, USA. in 1999

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