

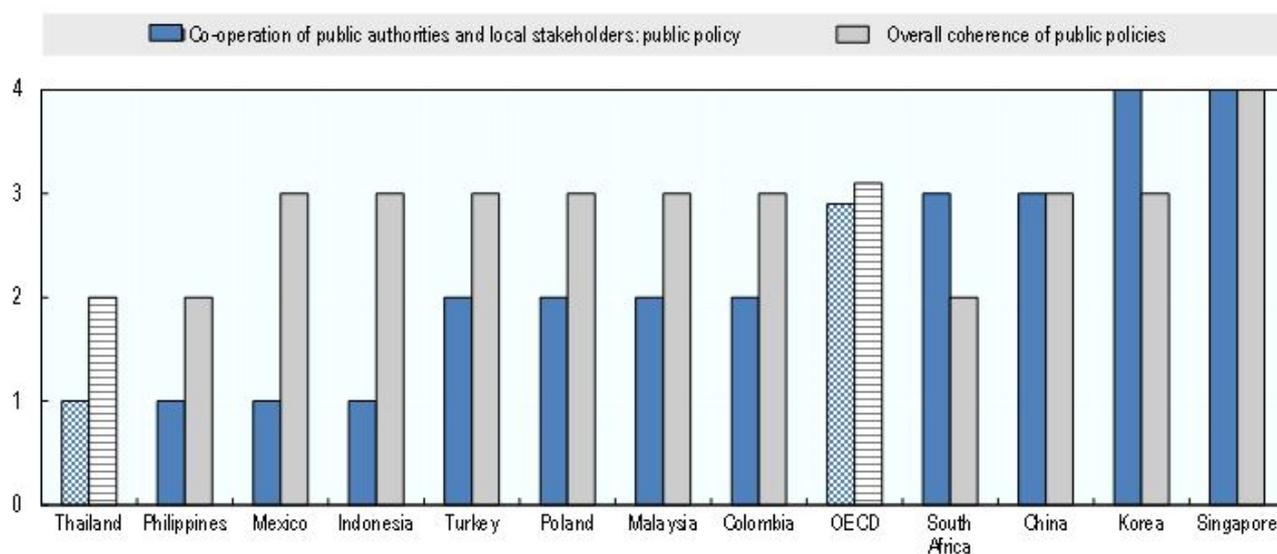
Thailand is advancing in participatory and evidence-based regulatory reform

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Reforming the public sector, long a priority for Thailand, involves several challenges. Among these, insufficient public participation in policy-making is undermining the efficient allocation of resources toward public needs and development goals. Additionally, the under-development of evidence-based regulations hampers the creation of a business-friendly environment essential for higher value-added activities. Thailand has undertaken reforms to address these issues by adopting OECD guidelines on promoting public consultation in policy-making and strengthening regulatory impact assessment (RIA), as documented in the Initial Assessment Report of Thailand's Multi-dimensional Country Review (OECD, 2018).

Nevertheless, further improvement is needed. Thailand still ranks behind most comparators in terms of co-operation between local stakeholders and bureaucratic efficacy in developing and improving public policies (Figure 1). Insufficient public consultation continues to hamper the effective and efficient delivery of public services, particularly in rural areas. This is partly due to Thailand's highly centralised, Bangkok-centric, governance structure.

Figure 1. Stakeholder engagement in public policy can be improved



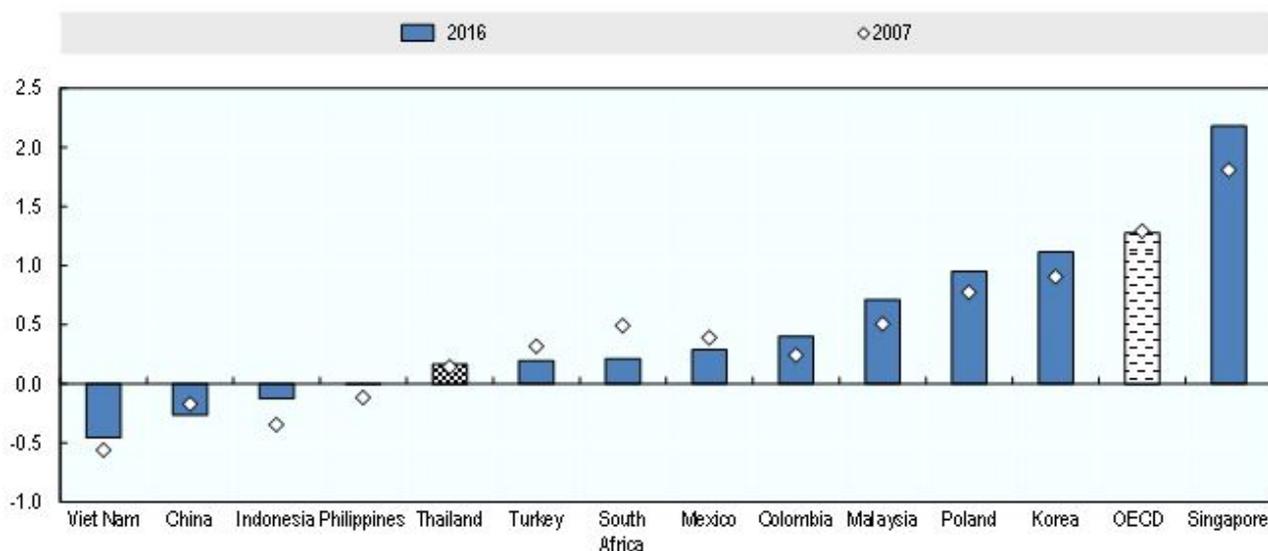
“Cooperation of public authorities and local stakeholders” measures whether “national public authorities and local stakeholders (local authorities, private sector, NGOs, etc.) work together to develop and improve public policy effectiveness” (scores range from 0 for very low cooperation to 4 for strong cooperation). The overall coherence of public policies scores range from 0 for very weak coherence to 4 for strong coherence.

Source: CEPII (2016), Institutional Profiles Database.

To address these issues, Thailand has released Public Consultation Guidelines to help government officials carry out public consultations with relevant stakeholders (NESDB, 2016a). The guidelines take into consideration the OECD Guiding Principles for Public Consultation, which highlight the need for active participation early in the policy process (OECD, 2001). While this is welcome, it is vital to ensure that the guidelines are actively followed across ministries and agencies.

Thailand also needs to boost regulatory quality. Measured by the perception of the government’s ability to formulate and implement sound policies and regulations that permit and promote private sector development, it has only scantily improved over the past decade, when measured against regional comparators (Figure 2).

Figure 2. The quality of regulation has only marginally improved



Note: The index ranges from -2.5 (worst) to 2.5 (best).

Source: World Bank (2017c), Worldwide Governance Indicators database.

Against this backdrop, the government has stepped up regulatory reform efforts to foster a more business-friendly environment. To improve regulatory effectiveness, Thailand has beefed up its RIA laws. In the early 2000s, legislation was introduced to implement mandatory RIAs which are in line with the OECD Reference Checklist for Regulatory Decision-Making (OECD, 1995). However, compliance has remained weak owing to the lack of a dedicated agency to scrutinise RIA reports. Moreover, RIAs insufficiently cover subordinate laws, guidelines are underdeveloped, there is limited capacity among officials to conduct RIAs and insufficient consultation with stakeholders.

Under the new 2017 Constitution, RIA laws were strengthened ensuring mandatory consultation with stakeholders prior to the introduction of new regulations, and broadening coverage to subordinate laws. The government also published a set of guidelines in 2016 to improve public awareness and the capacity of officials to conduct RIAs (NESDB, 2016b). The guidelines include the standard format for RIAs and the procedure for stakeholder consultations. Moving forward, RIAs could be further expanded to include ex-post analysis after

implementation of the regulations.

References

NESDB (2016a), *Public Consultation Guidelines*, Office of the National Economic and Social Development Board, Bangkok.

NESDB (2016b), *Regulatory Impact Analysis Guidelines For The Thailand Government*, Office of the National Economic and Social Development Board, Bangkok.