

An Analysis of Local Power Structure of Thailand: Evolution and Implications

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ABSTRACT

This study presents the results of the investigation about the current characteristics, composition and relationship of actors in the 'Power Structure of Thailand'. The concept on 'Power Structure Analysis' by William Domhoff is used to construct the conceptual framework and data analysis. The findings are divided into three (3) issues. Firstly, characteristics of the power structure and actors can be divided into three (3) groups, in which all of them have to work together systematically. Secondly, in terms of composition, these groups can be positioned into three (3) rings of power structures: the inner, middle and outer rings. And thirdly, these groups play certain roles according to their relationship. The inner takes responsibility about creating and planning, the middle takes responsibility about command and control, and the outer take responsibility about actions. All of them will have to work together in order to create, use and maintain their power to continuously collect and protect their interests in the province.

Keywords: decentralization, local government, local power structure, monetary power complex

INTRODUCTION

This chapter points out the characteristics of local power structure, how the characteristics affect the building up of power and wealth of the local power structure's leaders and their crew, as well as how the characteristics continually strengthen their power and wealth. This study focused on a province in the northeastern region

as a case study. This case study is about the power structure of politician A, a former member of the provincial parliament who has been in the position constantly and played an important role in regional and national politics. He is considered a leading millionaire of the province, maintaining his wealth from his businesses throughout the province. Presently, he is no longer a member of the parliament, but he and his family's economic status has not been affected at all. In contrast, he continues to expand his business territory. The study adopted the concept of "Power Structure Analysis" by William G. Dommhoff (2009) and the concept of "monetary power complex" by H.J. Krysmanski (2007). These concepts concluded that the networking of power structure includes the state population, relationships or connections, complemented by personal information, family background, educational institutions, and membership in organizations. These aspects were used to create the conceptual framework.

This study applied qualitative methods of data collection including in-depth interview with the key informant group composed of: three local politicians; a former member of the provincial parliament; three provincial administrators; two local administrators; one NGO representative; one provincial news reporter; and, one citizen who was worked with the target person. There were twelve informants altogether. The data analysis was conducted using content analysis method. All collected data was grouped, analyzed, explained and presented following the objectives of this study. Finally, all analyzed data was synthesized for making the formulas and model of local power structure. The key informant's real names and last names are not divulged, but presented only as initials using Thai symbols.

The presentation is organized as follows: (1) the format of political network and new benefit groups, (2) the analysis of local power structure network, and (3) overall conclusion on local power structure, and proposed guidelines for prevention in order to decrease

power and wealth centralization in the local power structure.

(1) The Format of Political Network and New Benefit Group

The new political network is not different, that is, it consists of a party and its leader who plays a role in selecting politicians, who benefits from the party in several ways including financial or political aspects or definite set-up votes. The party leader also decides in the appointment of ministers and selected persons to various political positions. Each selected person for each position has his/her own network of 7 - 8 politicians and members of the provincial parliament¹ in the area as their supporting base. Some may have more. Each member of provincial parliament has their own form of networking. For instance, a coordinator in one service area of a member of provincial parliament may have 2 - 3 crew members. Moreover, government officers in the province, district, and sub-district, politicians, community leaders as well as communication organization networks act as support bases.

In terms of its readiness in organizing the mentioned political network, participants in this network set-up could easily and legally take advantage from the annual government statement of expenditure allocated for various projects, especially infrastructure projects. The mechanism of this mutual benefit management network through various government projects could be divided into 3 parts.

Part 1 - The party management mechanism: this is the cooperation between the party and its leaders who were appointed to political positions in the government. This mechanism had two main responsibilities: the party or its leaders select potential politicians or heads of significant groups of parliament members for appointment to political positions, for example, ministers. Later, the potential politicians or heads of significant groups of parliament members would allocate the ministry's budget to areas where groups of the members of parliament are in charge. Within the groups, there are sub-heads, who are mainly leading candidates of the party in

each province, taking care of and managing the mutual benefits. This depended on how much of the budget each parliament member could obtain from their sub-heads. In this mechanism, however, there might be righteous parliament members who exclude themselves from political elements within the party but have strong political networks which can be directed to the potential politicians in order to make an agreement on the mutual benefit. They can also pull the wires to obtain the budget for their constituency. The benefit they would get from this mechanism was compensation each parliament member would receive from the budget they had kept out for the potential politicians. The sub-heads of the groups must keep out part of the compensation to send to the appointed politicians, and the appointed politicians would return part of it to the party in order to be a circulating fund for the party's national political activities.

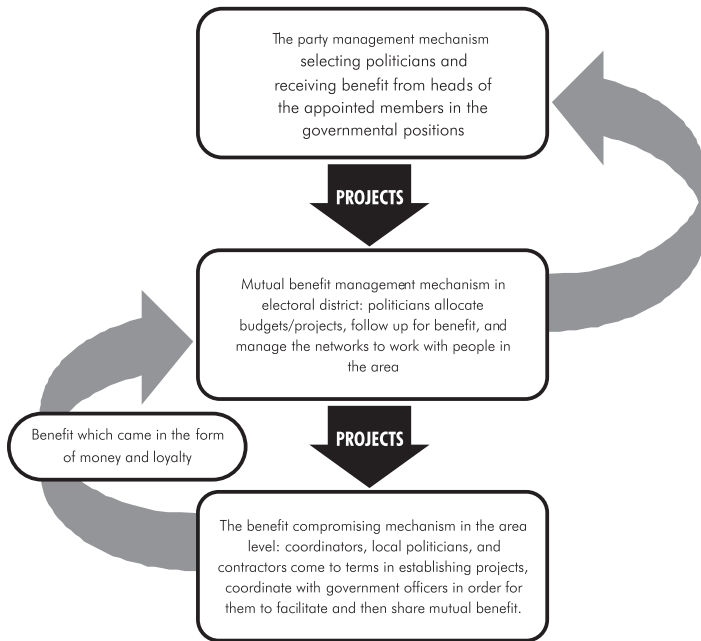
Part 2 - Mutual benefit management mechanism in electoral district: this mechanism is responsible for managing the mutual benefit in the electoral district of politicians in each province. Each parliament member would manage the benefit within their own electoral district ranging from allocating projects to the areas, following-up the management of the projects with their areas' coordinators, tracking down compensations from each project which received the direct budget or via provincial budget from contractors, which normally counted for 10 - 20%, enabling government officers in all levels to facilitate the smooth and legal implementation of projects, with the compensation mechanism of approximately 5 - 10% of the total budget to the authorizing government officers starting from the district level to the provincial level. This mechanism may also involve the transferring of government officers who could respond to their network in the areas, and promoting those government officers to significant positions in their offices. Those who could not be included in their network are transferred elsewhere.

This mechanism is used to create popularity for parliament members and the party. The parliament members take this opportunity to follow up the projects co-established with the government and the public in the area and to generate help to the public with various kinds of patronizing, which substantially create popularity for the parliament members and the party's leader.

Part 3 - The benefit-compromising mechanism in the area level: the important actors in this mechanism are the coordinators of the parliament members in each area and the politicians in the network. Their main responsibility is to hire contractors, to coordinate and facilitate with all related sections, and to procure according to the government's rules and regulations. The allocation of benefit is among the contractors who were directly hired and the contractors who took over the work in the area, the politicians, and the government officers in the area. The coordinators got the compensation of 5 - 10% of the total budget from doing such a task, while the administrators of local administration organizations would receive approximately 5% share.

However, the benefit that occurred during this mechanism was not requested to be sent back to the parliament members in order to be systematically passed on to the party itself. The parliament members passed on the whole benefit to coordinators of the related government offices and administrators of communities as a motivation and loyalty creation for such a task in the future. On the one hand, this helped the party and the area's parliament members as a tool to stabilize and strengthen their base in each area. This was because such a benefit could "win the hearts" of people in the network and create popularity for themselves and the party. These networks played an important role which worked closely with the public. They could actually influence how the public think. Thus, the public, especially those in rural or suburban areas, were literally influenced by the networks. If the mechanism of this new political

network could fully seek benefit from the area level network, the party's political activities would be smoothly operated and highly effective. Figure 2 shows the connection of each mechanism mentioned above.



THEORETICAL REVIEW

William G. Domhoff (2009) proposes that local power structure is a set of property owners who see their futures as linked together because of a common desire to increase the value of their individual parcels. They come to believe that working together is to the benefit of each and every one of them. Starting from the level of individual ownership, a "growth coalition" arises that develops a feeling among its members even if they differ on other kinds of political and social issues.

A successful local elite is one that is able to attract the corporate plants and offices, the defense contracts, the federal and state agencies, and/or the educational and research establishments that lead

to an expanded work force. An expanded work force and its attendant purchasing power in turn lead to an expansion of commercial and financial activities.

The hypothesis of local power structure leads to certain expectations about the relationship between power structures and local government. The idea that the heart of a local power structure is provided by those businesses concerned with local real estate values explains what had been considered a perplexing issue in what was once called the “community power literature.”

Dommhoff explains that the powerful tool of studying local power structure is ‘network analysis’ which traces out the people and organizations that make up the power structure, and then figures out how they connect to and influence government. Content analysis is the term for the systematic study of the power structure’s ideologies, policies, and plans, which are learned about through the careful study of documents such as the texts for speeches, policy statements by organizations, and drafts of legislation.

The methodological approach makes it possible to discover any concentration or configuration of power. It contains only one assumption: there is a power structure of some kind or another, no matter how weak or fragmented, in any large-scale society or social group. The method can discover that power is highly concentrated or more dispersed, depending on the degree of difference between rival networks on the power indicators. It can show that some groups or classes have power in one arena, some in another arena. It can reveal changes in a power structure over time by changes in the power indicators. In the United States it usually has led to corporate power structures at the national level, and landowner/developer/real estate power structures at the local level, but the results could be different for other countries and they are sometimes different for cities in the United States.

The empirical study of power begins with a search for connec-

tions among the people and organizations that are thought to constitute the powerful group or class. This procedure is called 'membership network analysis.' It starts with a study of people and all the organizations they belong to. Or conversely, you could say the study starts with a list of organizations that includes all of their members. The information contained in the matrix is used to create both organizational and interpersonal networks.

Once the membership networks have been established, there are many other types of links that might be analyzed, such as kinship ties or flows of information between organizations. One of the most important of these other types of links concerns the size and direction of money flows in the network. In theory, money flows are another kind of relationship between people or institutions, but in practice it is a good idea to consider them separately because they are socially distinct in most people's minds. And of course they are usually super important in understanding any modern-day power structure.

H.J. Krysmanski (2007) proposes that a network composed of groups and individuals solely defined by monetary wealth will be prone to various opposing interests, conflicts and contradictions. On the other hand, the present accumulation processes produce social and cultural integration effects of their own within those money elites. Status and class privileges established within the old system are turning into mere instruments for the accumulation of money. Corruption has become systemic. These accumulation activities have been on a scale that probably indicates a new stage of capitalism. An unprecedented mass of money capital set itself free from the commodity form. Accumulation proceeded through financial deals as never before. And this was supported by the 'scientification' and 'informatisation' of all aspects of society.

The following operations within the 'monetary power complex' can be distinguished by: a) privatization as that type of property

operation that in the final analysis establishes the money elite as a new sovereign; b) the established operations of valorisation (capital) and ‘accumulation by dispossession’ within the capitalist system; c) operations of value distribution; and, d) operations of informatisation which facilitate the operations of privatization, valorisation and distribution. Privatization in all its forms stabilizes the ‘monetary power complex’. Turning ‘everything’ into private property is, on one hand, based on age-old practices of greed fulfilment. On the other hand, the mechanisms of the knowledge and information society have increased the range and intensity of privatization practices to unheard-of levels. Privatization has, in fact, reduced the extent of privacy for the masses, while enhancing the privacy of the few. Very few people retain the privilege of self-determination, i.e. the privilege of privacy. Those few individuals, by definition, are the superrich.

In contrast, operations of distribution still require parliaments, governments, laws and the legal system. But this political sphere, through lobbyism and subventionism, is more and more falling prey to privatization, too. The contradictions between public and private forms of ownership increase and every attempt is made to resolve these contradictions in the interest of the ‘monetary power complex’. A tight net of influence peddling spans the economic and the political spheres, including systemic corruption. In that sense the superrich, constituting a class of their own, are ‘capable of everything’. All possibilities of the knowledge and information society are at their disposal and so, by means of the ‘monetary power complex’.

Krysmansky encircles the core structure and its actors. In this model, the ring closest to the core (the money elite) would be populated by the corporate and financial elites, the chief executive officers of the various industrial and business sectors. These groups function as the top specialists of capital valorisation, as explorers and

creators of opportunities for further accumulation.

The next ring houses what might be called the specialists for the distribution of societal wealth. This is the turf of the political elite. In the eyes of the 'monetary power complex', all parliaments in all governments have just one function: that is distributing wealth from the 'bottom' to the 'top' without endangering the social consensus. Finally, the vast outer ring is the home of technocrats and experts indispensable to the functioning of the 'monetary power complex'.

FINDINGS

This study was investigated through one former national politician of the northeastern region (Politician A), who turned his interest to local politics within the province. He took advantage of his relationship with another local politician, and set this local politician as his coordinator working with chief executives of other sub-district administration organizations within his former base area. This was to be the base for each year's annual budget balance which was allocated to him from other national-level politicians with whom he had close relationship. For instance, there was an annual 30 million baht allocated to several sub-district administration organizations in the network. Each sub-district administration organization must propose to the chief executives, who were also heads of the networks, projects which emphasize on developing infrastructures. The heads would gather all proposals and process them through all governmental procedures. In this stage, some government officers in all levels facilitated the process. Once the projects were all gathered, they would be sent to parliament members in the central parliament and be given allocation according to their requested budgets.

Mostly, the central parliament members set aside 10% from the annual budget as commission. The rest of the money would be passed down to the network of Politician A, which will point out who would

be the contractor for the project. Once Politician A was informed of the approval of each project, including the contractors for them, he would inform the chief executives of sub-district administration organizations, or the heads of the networks, in order to pass this news to the sub-district administration organization which took possession of such projects. Then they would rightly procure according to the government's rules. During this stage, Politician A and the heads of the networks would set aside 5 - 10% as commission from each project or according to prior agreement or negotiation by the chief executives of the area. In some cases, the project was simply operated without any high technology and complicated operation but gave high return (around 15 - 20%). The chief executives would play role in operating such a project themselves. If the contractors in the networks were the initiators of such a project from the beginning, they would take the job but need to pay the chief executives as usual.

This process clearly shows the local power structure, and the ability to seek and collect wealth by Politician A both during his duty and after his duty as the parliament member. This is the operation in a form of networking which included national-level politicians, provincial agents who had close relationship with the national-level politicians, the networking contractors, heads of the local politicians, and district and provincial government officers. Under this network, there was a unity and there were several of such networks. It was very difficult for any sub-district administration organizations of any sections outside such networks to be adopted. For example, they would have no right to receive budget sent from national-level politicians no matter how good their proposed projects would be for communities. When they were not involved in such networks, these fruitful projects would be terminated. One informant stated that:

"If the project is from the province of ...which is not the one in the

network of one of the national-level politicians, every single project will be terminated for many reasons. On the other hand, projects from the province where the politician is in charge will be allocated full budget since he can completely control all the procure procedures or the government auction, or they call it in their hands.”²

Another informant also mentioned the influence of such a network, in agreement with the previous one, as follows:

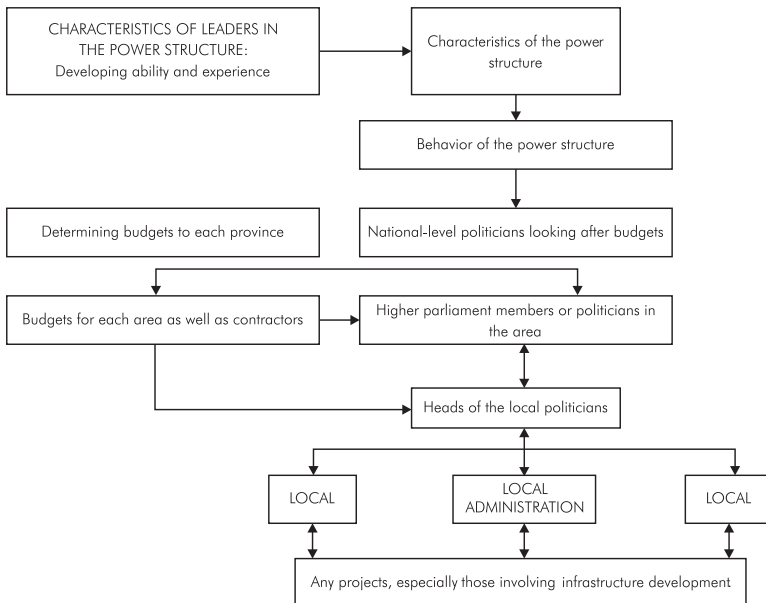
“In fact, all communities are informed to have the right to propose their own projects in order to ask for budget. But if they are not in the network, the projects will be dropped out. They are impossible.”³

An important thing that maintains this network together was that the national-level politicians received benefit from all projects' budgets. Moreover, they could also create their vote bases from areas in the network. As for the heads of the networks and the local politicians within the networks, they would receive additional benefit from external budget which many national-level politicians allocate to them as a return. This was the main income that strongly supported their wealth. This amount of money was much more than the benefit from the local government organizations, where there was already plenty. Moreover, the local politicians could take advantages from the projects as the demonstration for the next period of election campaign.

Due to the benefit arising from the budget administration of the local administration organizations as well as both national and regional level politics' increasingly strong competition, the national-level politics tended to have more influence on results of local elections. The local politicians who received funds from higher-level politicians and the national-level politicians in the area all won the election. That is, any community administrators who agree to join the patronizing networks of the national-level politicians could win

any elections. On the contrary, those who did not agree to join the patronizing networks have very little chance of winning any elections. This is because the national-level politicians would interfere by nominating their people to be competitive candidates in the elections. Moreover, they would set up a huge amount of funding in order to buy votes, hoping to win the election and have their people on board the authority of the local administration organization. Previous elections showed how successful this strategy turned out, that is, almost 100 per cent of chief executives of sub-district administration organizations from several areas agreed to join the networks in which the national-level politicians had their influence. Figure 3 demonstrates the relationship of the network of local influential people with the ways the networks seek benefit.

FIGURE 3: RELATIONSHIP OF THE NETWORK OF LOCAL INFLUENTIAL PEOPLE WITH WAYS THE NETWORKS SEEK BENEFIT

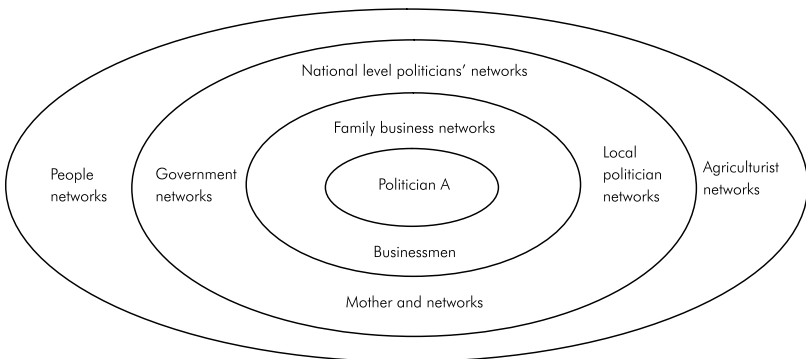


DISCUSSION: THE ANALYSIS OF THE LOCAL POWER STRUCTURE NETWORK

This part analyzes and points out the development of the power structure, people's networks, and organizations under the networks, as well as relationship within the power structure networks. This is to show how the local power structure network works in order to help politician A and his networks in the power structure maintain the influential person in the province and help them use such structure create mutual economic benefit.

This part of analysis demonstrates several levels of relationship in the form of three circles including the inner circle, the middle circle, and the outer circle. The inner circle shows the networks' members that had very close relationship with politician A, for example, family, relatives, and friends. The middle circle shows the political networks and the provincial and national business networks. The outer circle shows the crew networks, acquaintances, and people in the province. These are shown in figure 4.

FIGURE 4: POLITICIAN A'S LOCAL POWER STRUCTURE



Adapted from H.J. Krismanski, 2007

The researcher divided the analysis into 3 parts as follows:

(1) The inner circle within the local power structure

This circle mainly includes family business networks which con-

nect with other businessmen. All these groups of people have different activities to support Politician A as follows:

The family business networks set up the networks of businessmen, politicians, and both provincial and national government officers who needed to be involved due to business. Moreover, they have a fortune of benefit with several groups of people from both government section and private section. With these mentioned networks, they are able to access and request for support from all the people they are connected with on business matters or government matters⁴. They also take advantage of making merit by donating a lot of money in order to access and receive support from the religious side. They also take advantage of relationships they had built with other groups or organizations, for instance, civil boy scouts, Rotary-Lions, Chamber of Commerce, foundations, etc. From the existing tightened and deepened economic networks they had, they supported them financially and materially as a result of the patronizing relationship with “funds” as a significant factor.

The provincial businessmen networks have a much tightened relationship with Politician A’s family business networks since they deal with business and worked socially and continually together. This gathering of the provincial businessmen networks into the power structure resulted significantly in the power structure’s greater strength.

(2) The middle circle within the local power structure

When considering Politician A’s power structure, it could be said that the structure was very sophisticated. That is, the structure depended on the decentralizing mechanism to local administration organizations in the province and personal relationships with national-level politicians, government officers, the provincial businessmen, as well as the politicians in the area as shown in the middle circle in Figure 4.

The national-level politicians: The relationships between Politician A and leaders of national-level politicians resulted in pulling political and governmental strings to access the annual government statement of expenditure involving infrastructure development, and to set aside some of the budget, for example, the budget for road construction and other infrastructures, for their provinces. This actually benefited the public, and moreover, this was considered an advantage for them to create popularity among the public by taking credits for all constructions. Politician A could take all credits in order to strongly build his voting bases among people in the province, especially in his electoral district.

The teaching and academic government officers: Besides seeking national-level political alliance into his networks, Politician A also extended the networks in the regional level. One important factor enabling his provincial political success was his ability to persuade the teaching and academic officers to vote for him in his electoral district. He did it by becoming one of the provincial primary educational committee members, which held authority in appointing and hiring teaching and academic officers working in the province's primary schools. Therefore, his coordination with the network in persuading the teaching and academic officers into the networks was not very difficult. He started this by approaching leading teachers in the area first, and proposed all kinds of assistance, for instance, helping them with all errands, assisting them in appointing or transferring the teaching and academic officers as requests, and pushing for the teaching and academic officers' promotions annually.

The local politician networks: This type of network was built through the patronizing relationship securing political and economic benefit for both sides. That is, Politician A totally supported the local politicians with finance and materials for election campaigns. Once the local politicians won elections and were appointed to positions, they must pay back Politician A for his prior assistance by being a

channel in which Politician A can seek benefit. This was by being in the offices that receives the allocated budget for governmental construction and infrastructure projects and by coordinating with local and regional government officers and in facilitating the mentioned mission.

(3) The outer circle in the local power structure

People in the outer circle remotely supported the existence of authority and benefit of the local power structure, including monks, agriculturists, and general people. The main responsibility of this group of people was to be his voting base during elections. Politician A must pay attention to convincing this group of people to cooperate with him.

The development of the local power structure in the people's side

At the beginning, Politician A rarely had his political base directly from people. His mass base was initially set up from his acquaintances. After that, he gradually tried to play his role in building up his own voting base among the people in the sub-district level. His ways to build the voting base could be divided into 3 ways, including building the voting base through local politicians, through teachers' organizations, and through agriculturists' groups.

The establishment of people's networks through politicians and communities' leaders: It was shown that Politician A used the local election system as a tool to build his mass base through supporting candidates in municipal level and sub-district administration organizations or heads of villages with funds and other resources for campaigning, for example, advertising trucks and flyers. This was with the hope that the local politicians winning the elections would be able to convince their people to be his base later, aside from being in his business networks. This was due to more closeness between the local politicians and the people, than he with them. Having the local politicians under his power structure brought him closer to people in the area. Therefore, he would have a better chance to

create the patronizing system with the people who rely on the local politicians or communities' leaders, who will then be the media that would connect him to the area people's needs. Then, Politician A would provide the local politicians or the communities' leaders with resources as requested by the people. For example, in case of a people's request for road repairs or road construction, he could manage to use the local politicians or communities leaders' mechanism in pulling out central budget to the local administration organization. If it was a case of a people's request for the same matter through the heads of villages, he might directly and immediately use his relatives' companies or those of his networks to address the request immediately. This way, Politician A could build up more of his people network to support him.

The establishment of people's network through teacher organizations: It is well-known that the teacher network organization is one very strong influence to people's ways of life. Thus, anyone being able to take the teachers into their side would be easily accepted and respected. As mentioned earlier, Politician A and his brother had well put in place the teacher organization as their political base. They relied on their being alumni of a university and their degrees in education to have access to the teacher organization's leaders. His brother was a member of the primary educational committee which held authority in appointing and hiring teaching and academic officers working in the province's primary schools, and that was one strong factor persuading the teacher organization's leaders and other teaching government officers to gladly agree to work with him. Therefore, the teaching and academic government officer organization became one network being used to build the voting base among people in the area. Especially during election time, the role of the teacher and academic government officer organization in connecting politicians and people was very significant.

The establishment of people's network through agriculturists' organiza-

tion: There was an attempt to build up a relationship with the rubber tree growers' organization of a province by supporting the organization of cultivated baby rubber trees. To do so meant the pulling of the rubber tree grower organization into the business, and allowing them to use materials and equipment in production, for example, cultivated baby rubber trees, fertilizers, and pesticides. This was in exchange for an agreement that the growers would send the product in the form of rubber milk and other transformed products to his company. Politician A support of the rubber tree grower organization in his province, which was expanding rapidly, was one strategy of drawing another group of people into the local power structure in economic and political perspectives. The benefits that he gets from this: his business could continually grow, and his political base was also expanded.

In conclusion, for the local power structure to be completely working, the three circles' performance altogether is needed. That is, the inner circle must bring resources and the public in the middle circle and the outer circle to synthesize with other existing capitals, and turn those into a drive or motivation for Politician A to politically compete in order to seek and maintain his political power. Meanwhile, Politician A needed to keep all networks in the three circles as long as possible or to extend all the networks in the three circles as much as possible. This depended on his ability in putting the local power structure into good use for himself and his members in all the networks of the three circles. If this was not successful, his power structure may become relatively unstable.

Even though he had no longer been in any political positions, he maintained his relationship with some of the networks in the inner, middle, and outer circles. It could be said that he could continue his and his networks' power, influence, and wealth. It is shown that through people's acceptance and respect towards him, he remains as one influential political and business figure of the prov-

ince despite his lack of chance to enter real political power for quite a period of time.

The synthesis of this study reveals the power structure and procedures in using it to seek economic and political benefit of Politician A, who was the leader of this local power structure, in a form of equation showing relationship between previously proposed variations as follows:

The equation showing relationship between the variations enabling the local power structure

$$\text{The local power structure} = (\text{family business} + \text{social networks} + \text{business networks} + \text{local and regional government officer networks} + \text{local and national politician networks}) - (\text{public's benefit} + \text{trend of national political parties})$$

From the equation, it could be concluded that in the context of the studied province, anyone desiring to establish their own local power structure depended on the sum of their own and their family business capability, the extent of their social networks, business, local and regional government officer, and local and national politician networks. Meanwhile, how sustainable such power structure could stand depended on how much it affected the public's benefit and how strong the trend of the national political parties in the area is⁵. That is, if the power structure did not create any problems or adversely affect the area public's ways of life, but smoothly built up mutual benefit relationship with the area people, it could firmly stand. On the other hand, if the power structure could not create such mutual relationship with the area people, or operated in a way that might drastically affect the public's benefit, such power structure could possibly decline. Another factor important to the existence of the local power structure is popularity towards the national political parties in the area. This would affect the leaders' status as the influential or powerful figure in the society since the area people could turn their interest to political parties that better answered

their needs. This would make their status as the influential and powerful figure and political power unstable, and there are risks in the decline of the local power structure and being replaced with a new power structure supported by more popular political parties.

CONCLUSION

In conclusion, the local power structure investigated in this study was called “money politics.” It arose from a combination of economic and political benefits of networks’ leaders and people in such networks including businessmen, politicians, government officers, and groups of people in the area. The study showed that any gatherings in such power structure are very tight as long as all parties in the networks or gatherings receive satisfactory benefits. This kind of gatherings resulted in centralizing power and wealth in the area, which were centralized in the group of the local power structure leaders, especially people in the inner and middle circles as mentioned earlier. The result of this circumstance was the extending inequality in economy in the area of study. Meanwhile, power and other political spheres of people outside the networks were narrowed down. They could not get access to essential resources for their living unlike others in the networks. This also led to them being forced to enter any of the local power structures in order for them to have equal economic and political power and opportunities like others in the society. In the sample case of the rubber tree project, it was a rush in the extent of power and wealth centralization. If such circumstance occurred without any preventions or solutions, this might lead to several economic, social, and political problems in the area as happened in the national politics.⁶

Therefore, in order to prevent and solve the power and wealth centralizing problem within the local power structure as mentioned, the researcher would like to propose a guideline of prevention and solution as follows⁷.

- (1) A review of the power decentralization: There needs to be “the horizontal decentralization” from government offices to communities instead of the former “vertical decentralization.” This is because the former decentralization was one factor increasing the power and wealth centralization problem at present. There should be a new power allocation between locality, communities, and people by decreasing role of the local administration organizations which is a representative for all people and encouraging the people to take direct roles in local administration as much as possible⁸.
- (2) An encouragement of direct democracy along with representative democracy in the community: This is to encourage the people and communities to balance any decisions of the local administration organizations. The local administration organizations must consult, listen to, and seek facts with the people in the communities which will be affected by the local administration organizations’ operation. It depends on the principle that the balance of representative democracy must come from the power of direct democracy, that is, it is through people’s consultation, and negotiation between the people and communities and the local administration organizations⁹.
- (3) Strengthening the community and people: There are two ways to strengthen the community and people. The first way is the allocation of budget directly to the people, which would fully empower them in making decisions on some aspects due to their actual needs or could make decisions on who would operate their projects without any monopoly of government offices. The second way is that the academic units in the area encourage the people’s strengthening. This is by motivating and supporting mutual knowledge management among people in the same community and cross communities in order to exchange knowledge. It would lead to the increase of experience in self-management

of the community and people as well as increasing their verifying and balancing ability with the area's governmental system¹⁰.

One reason the researcher proposed the abovementioned three suggestions is that the governmental system in the central, regional, and local levels is the one important factor supporting the local power structure. From the study, it can be show that this power structure relied on the power of the area's and central governmental system in developing and steadily maintaining its status in the community. Thus, this study would like to suggest the decrease of the governmental system's power by encouraging the community and people to be strengthened and to be able to increase their self-management. This could result in such a way that the local power structure could no longer rely on the governmental system's power in seeking, or preventing economic benefit as usual. It is because most of the power that used to be with the governmental system would be transferred to the community, and the people would have power to make decisions and to directly manage their own locality as well as to have power to verify and balance the governmental system's power in the area¹¹. If the decentralization to the people and the self-management of the community as proposed would be successful, it would be the good prevention and solution to the problem of local power and wealth centralization, which results from the extent of the local power structure in the area.

ENDNOTES

- ¹ This is also known as "Mung" in Thai, referring to a group of people sharing benefits and political power within the group. Everyone in the group must work together in order to acquire both personal and group interests. It is a kind of informal group and there are no regulations. That means anyone who is willing can join the group. And every group always has its leader having power to collect benefits in the name of the group and share those to everyone in the group. So, the leader must be obeyed by the members of the group. If someone does something which is out of order and beyond the control of the leader, he/she must leave the group or may compulsorily be expelled.

- ² From interview
- ³ From interview
- ⁴ Nielsen, Richard P. (2003). Corruption Networks and Implications for Ethical Corruption Reform. *Journal of Business Ethics*. January.
- ⁵ Enderwick, Peter. (2005). What's Bad About Crony Capitalism?. *Asian Business & Management*. Volume 4. Number 2. 1. June.
- ⁶ See National Reform Council, *The Proposal of Power Structure Reform*, 3rd ed. Bangkok: TQP CO, LTD. 2011. p. 7 - 11
- ⁷ All three proposals were adapted from *the Proposal of Power Structure Reform* of the National Reform Council. Referred to in footnote 13. p. 32 – 40.
- ⁸ Bardhan, Pranab. (2002). Decentralization of Governance and Development. *The Journal of Economic Perspectives*. Vol. 16. No. 4.
- ⁹ Matsusaka, John G. (2005). Direct Democracy Works. *The Journal of Economic Perspectives*. Vol. 19. No. 2.
- ¹⁰ Gaventa, John and Camilo Valderrama. (1999), Participation, Citizenship and Local Governance. Background note prepared for workshop on Strengthening participation in local governance. Institute of Development Studies, June 21-24.
- ¹¹ Bucek, Jan and Brian Smith. (2000). New approaches to local democracy: direct democracy, participation and the 'third sector'. *Environment and Planning C: Government and Policy*. volume 18.

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Does Democracy Make You Happy? Multilevel Analysis of Self-rated Happiness in Indonesia

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ABSTRACT

The linkage between democracy and citizen happiness in developing countries is rarely examined. This study examines the link between democracy and citizen happiness in Indonesia, a new emerging democratic country in South East Asia. Data comes from the Indonesian Family Life Survey 2007 ($N_{\text{individual}} = 29.055$; $N_{\text{household}} = 12.528$; $N_{\text{district}} = 262$) and the Indonesian Family Survey East 2012 ($N_{\text{individual}} = 5.910$; $N_{\text{household}} = 2.546$; $N_{\text{district}} = 55$). Results from a three-level ordinary logit model show that democracy as measured by age of direct local democracy is not associated with citizen happiness. Instead of age of direct local democracy, district community social capital and spending public services give benefit for citizen happiness. The results are robust against individual and district characteristics related to happiness. The results highlight the importance of promoting community social capital and improving district capacity in delivering public service to improve citizen happiness in Indonesia.

Keywords: democracy, happiness, three-level ordinary logit model, Indonesia

INTRODUCTION

During the last two decades, citizen happiness has become an important development agenda in Western countries, particularly rich countries across Europe and North America (Argyle 2001; OECD 2013). The economic crisis in Europe and United States at the end of 2009 have realised that economic welfare or GDP is not the only ultimate goal of development. The government and lead-